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# **Latin America Report**

**No. 2699**



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27 June 1983

## LATIN AMERICA REPORT

No. 2699

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## MAY DAY MESSAGE FROM INTER-AMERICAN WORKERS ORGANIZATION

Basseterre THE LABOUR SPOKESMAN in English 7 May 83 p 6

[Text]

For the ORIT, with its countless militancy throughout the Western hemisphere, May 1st, 1983, is a date that commands attention and imposes the need to reestablish the spirit and strength of our irrevocable principles of Bread, Peace and Freedom.

On this May 1st, it is imperative that we glimpse back into the past, a past that compels us to acknowledge the most distressing tests and most violent repression endured by the Indoamerican union movement. In defense of democracy and freedom we have faced the savagery of totalitarian and authoritarian governments, military despotism, the scourge of monetarism imposed by the International Monetary Fund which subjugates our economies, the pressures of imperialism and colonialism and the traditional injustice of employers.

We have paid too high a price in terms of human lives and sacrifices while carrying out our honest and courageous task and our efforts have not always been accurately assessed.

Nevertheless, it is not appropriate for us to focus our message solely on these dreadful disputes plaguing Indoamerican democracy. The earnest words of the ORIT/ICFTU on this International Labour Day reflect the burning recognition of the fighting consciousness of its 32 million affiliated members: our message is an affirmation of ORIT's monolithic and unbending unity, and it is an emphatic statement that ORIT is the indispu-

table alternative for our assaulted but unconquered Indoamerica. The truth is that, despite our existing grief, ORIT's banner remains unharmed although shaken by the promissory winds of the future.

Our objectives place us on the track towards a definitive solution that surpasses ideological confrontations. We must directly attack unemployment, hunger and social misery which are the unquestionable instigators of violence. It proves to be unworkable for our principles to accept that in those nations where hunger has won the battle, neither left-winged nor right-winged powers can offer more than guns; the extermination of brothers by brothers offers no more than a dictatorship of one side of the other. Our experience reveals that in the area comprised by Indo-American and Caribbean nations, an economic model which sacrifices political freedom or requires military oppression constitutes a categorical denial of democracy. In the same manner, our experience reveals that any political model which does not permit the economic participation of the working classes results in an obvious negation of the right to social justice.

We aspire to achieve international solidarity thereby effectively contributing to the harmonic development of our nations without ideological haughtiness nor by making concessions that in the future would lead to the economic captivity of our countries. We declare ourselves in favour of disarmament because we desire peace and development. However, we will not give up our struggle against injustice.

Total freedom is the irrefutable principle of the union movement. Freedom is an inalienable right and under no political, economic or religious conditions can we renounce it. There is no time nor place to excuse idleness when we refer to the defence of this right which has the same substance as the revolutionary spirit that sustains the life and development of Indoamerican unionism.

The ORIT ratifies its inevitable commit -

ment with the glorious destiny of the Indo-american working class and maintains:

- its struggle against dictatorships, be they right or left winged groups;
- its vigorous unity for the complete installation of union freedom and respect for human rights;
- its rejection of the manipulative policies of monetarism which reduce the purchasing power of salaries and impose unjust forms of austerity on Indoamerican nations;
- its identification with the demand for the collective negotiation of our nations' foreign debt;
- its support for the creation of a new international economic order.

These positions constitute an argument sufficient to mobilize the Indoamerican union movement in its efforts on May 1st and they ratify in the public square ORIT's permanent slogan of Bread, Peace and Freedom.

CSO: 3298/646



## BRAZILIAN MILITARY CONCERNED OVER ARGENTINE TALKS WITH LIBYA

Brasília CORREIO BRAZILIENSE in Portuguese 24 May 83 p 6

[Text] The delay in a solution of the diplomatic incident between Libya and Brazil that has already extended for more than a month is serving its principal objective: to prevent the cut-off of negotiations between the two countries in the area of arms and, principally, in the area of nuclear technology, a high government source confided to CORREIO BRAZILIENSE yesterday.

The solution for the problem of the planes and arms held in Brazil has already been adopted but it is reportedly dependent on a Libyan commitment that the four planes will not be diverted to Nicaragua, the sources revealed.

That solution, furthermore, the only one to which the Brazilian Government has not [as published] agreed from the outset, namely, the return of the war material to Tripoli in the same planes that brought it, has already been acknowledged to be the only possibility of reconciling relations with Libya.

## Argentines

The problem of detaining the Libyan planes in Brazil is already worrying Brazilian military sectors in view of a new international development that has just arisen, which is the replacement of Brazil as a partner of the Libyans in military and nuclear cooperation agreements by the Argentines, who have already sent a 45-member mission to Tripoli.

That mission comprised of diplomats and top-level Argentine Government officials is returning the visit made to Buenos Aires by a Libyan delegation about a month ago, and for Brazilian military sources the possibility of success of negotiations in Tripoli is greater because of the hesitation shown by the Foreign Ministry in finding a solution for the impasse.

There is reliable information coming from those sources that the Argentines reportedly have a whole package prepared to furnish military equipment--TAM--type tanks--in addition to being able to establish a cooperation plan in the nuclear area, in view of the declared intention of the Libyans to replace the Soviet Union as their main supplier of technology in that field.

Since Brazil is hesitating, not only the Argentines feel free to enter that segment of the market that was already reserved for us: the Italians, builders of (Aeromacchi) fighter planes, have already submitted a bid to the Qadhdhafi government to supply 120 Pucara planes instead of those that were to be exported by the Brazilian Aeronautics Company (EMBRAER). The value of the Italian bid is \$900 million, which gives an idea of the trade losses that Brazil is threatened with immediately because of the hesitation of the Foreign Ministry.

#### Nuclear Agreement

The Brazilian military men who supplied this information stressed the fact that the real interest of the Argentine mission is not military but nuclear cooperation because the neighboring country urgently needs to export its leading technology as a means of entering the captive markets of American and European suppliers. The Libyans had assigned that function to Brazil, interested in exchanging experiences in the nuclear area, training their engineers here and developing reactors according to our technology already absorbed from the Germans.

That possible agreement of the Argentines with the Libyans is arousing apprehension among the Brazilian military because if Argentina succeeds in developing its technology, with the expansion of the markets for supplying their reactors, the atomic balance of the Southern Cone will be broken, with the Argentines surpassing Brazil.

8711

CSO: 3342/121

## REPORTS OF ACLM, PLM, UPM MERGER RIDICULED IN UNION ORGAN

St Johns THE WORKERS VOICE in English 7 May 83 p 1

[Text]

A rumour has been making the rounds that the U.P.M. party has made overtures to the P.L.M. and the A.C.L.M. for them to form a united front, to be called the Peoples National Party. As a matter of fact an emblem has been seen around printed in green with a circle like the one which encompasses the Satanic '66' with two persons shaking hands. These two persons are supposed to be the Natural Leader and Timbolo. Then what of Uncle Robert? Well Uncle Robert says that he just escaped getting his hands tainted the last time and there is no way in which he could ever become involved with the Natural Leader again.

There are other honest politicians in the P.L.M. who doesn't even want to hear the man's name, yet to be associated with him again. While the opportunists are a tone to enter the merger.

One wonders who would be the leader. Timbolo

must realize that he is in a party with a natural, so therefore it is obvious that the Natural must be the leader. But can Timbolo and his lieutenants stomach one who is not so 'bright' as their leader?

The odds are 5 to 1 against. But politics breeds strange bed fellows, so anything can happen. But let us take a closer look at the situation. All the opposition parties realize that they cannot win a majority of vote either separate or collectively, and so as to save face in the case of a general election being called next year they would like to merge.

Can anyone imagine a common manifesto put out by A.C.L.M., P.L.M. and U.P.M. with the same aims and aspirations. Impossible!

This merger is destined to failure. Everyone remembers the chaos which resulted from the very same people getting together before - Antiguans and Barbudans are not prepared to be taken for a ride again.

## LABOR UNION LEADER HITS PRESSURE BEHIND IMF TERMS

St Johns THE WORKERS VOICE in English 30 Apr 83 p 2

[Article by R. A. Bascus]

[Text]

This is the question. We are talking once again about the International Monetary Fund and the government of Antigua and Barbuda. The Comrade Leader has stated on numerous occasions that in order to carry out the directives of the I.M.F. it would mean that many Antiguan and Barbudans would be automatically thrown out of employment and forced to exist below the poverty line.

He further stated that he was willing to comply with only one request and that was the reduction of the number of govt. vehicles on the road. Comrade Leader has seen what has happened to the Fourth World countries which have been forced to take the IMF's bitter pill. They have all failed to survive the succeeding general elections in their respective countries. Can the A.L.P. Govt. risk this? We will soon find out.

Comrade Leader has dedicated his entire life to the welfare of the working masses of Antigua and Barbuda (it is a pity some of his present Cabinet colleagues cannot lay claim to this) and it would be definitely be a sad day for him if he should be forced to reduce employment of govt. employees in this country. Comrade Leader has

seen the suffering of his people from the days of Moody Stuart and again the five dark years of Walter and his gang. He sleeps every night with the phrase 'Jobs for the people' on his mind, and cannot bear to see his people suffer and hunger again. No! Not after what he has done.

But what is the alternative? The I.M.F. is not Moody Stuart nor George Walter. We are talking about the people who control the finances of the world, and in these days of recession and high interest rates they can manipulate the economies of these poor countries as well.

I have been informed from a very reliable source that the British government has given the A.L.P. govt. until the end of April or May to accept the I.M.F. terms or face losing all credit and other financial assistance from Britain.

It won't be long before the Americans follow suit. Then where are we left?

South Korea can only afford some cattle-ploughs, cars, pickups and trucks, Brazil is catching hell and has to bow to the same I.M.F. so obviously their loan to Antigua would most likely be further reduced. What about the Eastern Bloc countries? No! they are all communists. Well then, where do we go from here?

Well for this writer alone I would certainly stop 'playing up' to the Americans like we have been doing. There is no meaningful assistance forthcoming which would be beneficial to the wide masses of this country. There was so much hope raised about Reagan's CBI. But what has become of it? It has gone the same way as most of the aid offered to these poor countries by the U.S. They choose what projects that they want their money spent on, but by the time that money reaches its destination it had been reduced to about one tenth of the original amount. The most being spent on offices set up in the United States to handle the transaction. Another portion is spent on feasibility studies carried out by Americans, and then a team of advisers are sent down along with some other advisers to advise the advisers.

By the time the American manufacturer is contracted to send down the U.S. made equipment for the project along with their designers and engineers only one-tenth of the original sum really reaches Antigua. all the rest remains in the United States.

I understand Comrade Leader intends to visit the mainland China some time in July 1983 as a guest of the Chinese government. I would certainly suggest that he asks them to fix the roads of Antigua for him, then he would see what meaningful assistance really is. They have built hundreds of miles of highway all over Africa at no cost to the African govt. and they have all stood the

test of time. At least our Public Waste Department could then concentrate on other things.

We have already pinched Reagan's nose with our off-shore Banking Act. Lets twitch it a little further by seeking urgent aid and trade from all communist and socialist countries. Kadafy would be willing to build for us a modern hospital in spite of his liking to supply arms to those who request them. Because of Britain's warning that we accept the I.M.F. terms or else ... the opposition parties are predicting that general elections will be held in Antigua sometime in June of this year. They know Comrade Leader's love for his people so much that they hope that he would be sandwiched between the Devil and the Deep Blue Sea, and so have no alternative but to call general elections.

I once advocated that the govt. should roam the world and get aid from whatever source it can, with no strings attached except those in our favour. After all Grenada accepts aid from every country in the world except the United States who are scared of the little airport which is being built there. A superpower which has just spent space craft and \$2.1 million U.S. on a space suit.

All this is taking place while the I.M.F. is insisting that some of us are sent home to starve.

It is a bitter pill, but the time is fast approaching when the govt. has to answer one way or the other. Which way, is the \$64.00 question.



## ATLU LEADER BASCUS EXPOUNDS CASE FOR LABOR UNITY

St Johns THE WORKERS VOICE in English 23 Apr 83 p 10

[Article by R. A. Bascus]

[Text]

"The working class people of this country are experiencing more and more problems with employers almost on a daily basis. Some employers are becoming very arrogant and are attempting to treat workers like they did in the pre 1940 era. It is now a little over six months since I have been elected to the post as General Secretary of the A.T.L.U. and during that period I have witnessed a consistent 'don't care a dam' attitude in some employers when dealing with their employees and their representatives. This attitude has progressively grown more aggressive.

I can clearly remember at a meeting at the Employers Federation Office about three months ago that a member of the Employers Federation told me that I would never ever see workers unite in this country under our present political system. I tended to doubt him then, but three months ago at one meeting of all Unions in the country later, I am sorry to admit it but I have come to the rude awakening that he is

right, and I think that it is because of this that workers are being treated in this manner today.

My most recent experience with this high handed attitude is the case with the Hadeed's Plastic Foam & Furniture Factory and their employees. After a period of 14 to 17 years service, management dismissed all the workers on the pretext that they did not turn out to work on time after the Xmas holidays.

Without going into the details of the matter because the Minister of Labour is very 'touchy' on these matters once they are referred to his department) the Hon. Minister referred the matter to a Hearing Officer who summoned both parties to a meeting at the Labour Desk on 20th April 1983, nearly four months after the workers were dismissed, to hear the Director of the Employers Federation telling the Hearing Officer that as far as he was concerned the matter was improperly before him and then packed his bags and walked out, even though the Hearing Officer was trying to show him otherwise.

"Do you think this could have been done to workers in Guyana? Could they have done it if workers in Antigua were united? Never happen!!

Every Hadeed business in this country would have been affected because of strikes and picketings. All this would have been done in spite of Ramish Hadeed, the owner of Knitwear Garment Factory being one of the most outstanding employers with which this Union has dealt. It is because of his attitude towards his employees and his understanding of their problems that Knitwear pays some of the highest rates to their workers in the Industrial Park.

Yet because of association with Hadeed of Plastic Foam, his business would also have to be affected, if the workers of this country were united.

I am afraid that as long as both blanket Unions continue to be manipulated by politicians on both sides that we are never going to realize the industrial climate which existed in this country in the 1950 when workers held their heads high and boasted "The Unity of Labour is the Salvation of our Country".

## BRIEFS

ATLU PLEA TO GOVERNMENT--The A.T.L.U. is calling on the A.L.P. Government to sign the non established workers agreement which was negotiated between the Government and the Union since Sept. 1981. It is more than over due, and while the workers are at present enjoying the negotiated increment, the conditions which were in force for the last 4 years and have been re-negotiated, the Union would like to see them come into force immediately as some workers with over 15 years service are still only enjoying 2 weeks vacation per year. While the workers are tolerant with the Govt. on the issue of the '9 weeks back-pay, they would like to see the Agreement signed immediately. [St Johns THE WORKERS VOICE in English 11 May 83 p 5]

CSO: 3298/647

## NATION MISREAD BRITAIN'S RESOLVE ON FALKLANDS, SAYS WRITER

Buenos Aires LA PRENSA in Spanish 26 May 83 p 4

[Text] The former commander of the Fifth Army Corps, Gen (ret) Juan Enrique Guglielmelli, stated that the most serious mistake made by the Military Junta, which led to the Malvinas war, was "not admitting" that the British "were sending a task force to recover them, and not the Sarrasani circus to put on a show."

Guglielmelli was of the opinion that the Argentine military strategists "should have revised their decision" to remain in the islands when, at the end of April 1982, it was learned that the United States and NATO would back Great Britain, and accepted the United Nations Resolution 502, ordering the withdrawal of both forces.

He said: "On 29 April, it should have been explained to the country that we could not fight NATO, and that the United States, with its position, was forcing us to withdraw the forces but not to give up continuing the negotiations for sovereignty, which is expressly explained in Resolution 502."

In statements made on the program "This Is Happening in My Country," which is carried by Radio America, Guglielmelli commented: "The Armed Forces' defeat can only be blamed on the political leaders and their direct adviser in the matter, namely, the three commanders in chief and their foreign minister, Nicanor Costa Mendez."

He claimed that Costa Mendez "has great political skill, because after he was part of a failure due to lack of foresight, there are still some who think that he might be a candidate for president of the republic."

'Three Mistakes'

Guglielmelli, who is editor of the magazine ESTRATEGIA, noted that, during the war, "three mistakes of a political, military strategy and diplomatic nature" were committed.

He remarked that this was a war "for which the Armed Forces were not prepared," because "the Argentine military apparatus is trained for internal conflicts, or to fight within the local environment, in other words, with the neighboring countries."

He pointed out that the first mistake "of the state's higher leadership was to think that Great Britain would not come to fight, that it would accept the fait

accomplish and the transfer of sovereignty to Argentina, even though they might negotiate the methods for that transfer."

He added that the second mistake "came when, in addition to this, (the Junta) thought that the United States would back Argentina, or at least would uphold a complacent neutrality that would make it possible to facilitate negotiations under certain circumstances."

He stressed: "It was a serious mistake to assume an adversary position which was not the real one, and to think that its main ally could be on our side owing to the relations created during the final period of the military government and the commitment that the United States has assumed both in the OAS and in TIAR."

He gave a reminder that, at the end of April, "there was no room for doubt that the British were coming to recover the islands," and he claimed that the most serious mistake was "not admitting" that they were, therefore, "sending a task force to recover them, and not the Sarrasani circus to put on a show."

He subsequently stated that the third mistake made by those in charge of the country's leadership during the war "was that, without taking Argentina out of combat, our diplomats demanded things from Great Britain as if we were really in an advantageous position."

Guglielmelli noted that the results of the war in the South Atlantic "were made clear when we entered the conflict," and that, in his opinion, "we should have retreated" when "the truth was discovered about our false friends," such as the United States.

He declared that, "It is very important to explain this, because when the mistake is tactical, the blame lies with the Armed Forces which fought in the theater of operations."

He argued: "But if the mistakes are political and strategic, the defeat cannot be blamed on the Armed Forces, but rather on the political and military leaders."

#### Breaking of Continental Treaties

Elsewhere in his remarks, Guglielmelli said that the presence of nuclear weapons in the Malvinas Islands "is a real fact," which Argentina has been complaining about for a year.

However, he criticized the present government, "because we have been in the complaining stage for a year, and no one has taken any other executive measures, something that I consider a serious omission."

He said that the presence of those weapons on the archipelago "breaks the treaties on continental security, and hence it affects not only Argentina, but the rest of the Latin American countries as well."

He stated in conclusion that the issue of the British nuclear bases in the south should be taken up in the OAS, "according to the principles contained in the TIAR," and that if "the treaty does not work this time, Argentina should withdraw from it."

2909

CSO: 3348/409

## PERONISTS THREATEN NOT TO PARTICIPATE IN ELECTIONS

Buenos Aires LA PRENSA in Spanish 26 May 83 p 10

[Text] The first vice-president of the Justicialist Party, Deolindo Bittel, reiterated that there is a possibility that his party would not run in the elections of 30 October if the banishment of former President Maria Martinez de Peron continues; but he explained that he never attempted to "threaten" with that possible alternative.

The matter of the reinstatement of the former chief executive was also mentioned by the former Peronist minister of economy, Antonio Cafiero, who stressed that the election process "would be tinged with illegitimacy" should that banishment be continued.

The head of the judicial association, Horacio Alonso, for his part, claimed that the Peronist trade union movement had unanimously resolved "to demand that the military regime commute the penalty imposed on Comrade Isabel Peron," because "an election process wherein a political figure of that importance is banished cannot be considered partisan."

The three Peronist leaders made statements on the subject on Radio Mitre in this capital.

The remarks made by all of them were made public 24 hours after a high-ranking source at the Casa Rosada had claimed that "there will be no banishments" in the forthcoming elections.

As for the position that the Justicialist Party will assume in the event that Mrs Peron continues to be excluded, Bittel stressed that a possible decision not to run in the elections would have to be made by the Justicialist Movement "as a whole."

'I Never Threatened'

Bittel explained that he, personally, had never "threatened" with a decision of that kind, although he did not preclude the fact that it might be made if "the majority of the party" deems it necessary.

The first vice-president of the Justicialist Party rejected the interpretation that the daily paper CLARIN gave to recent statements of his on the matter.



On Tuesday, Bittel had made a statement in this regard upon being questioned about the declaration made recently by the head of the 62 Organizations, Lorenzo Miguel, who claimed that the Peronists "could not run in the elections if Isabel continues to be banished."

From Cafiero

Cafiero, for his part, gave a reminder that the demand for the reinstatement of Mrs Peron "is nothing new."

He emphasized that, with the reinstatement of the former chief executive, there would be an avoidance of "sectors in the future putting forth this or that excuse in order to detract legality, purity and brilliance from what must be a truly exemplary democratic confrontation."

He said that, if this is not the case, there would be a repetition of what has already happened on other occasions when the military transferred the government to the civilians.

Limitation

He stressed: "There has always been a kind of limitation on the electorate's desires."

He noted that, on this occasion, there is involved "a single person who, moreover, has been disqualified in a process the juridical legitimacy of which is highly questionable."

Then he was asked whether there might be a repetition of what happened in 1973, when Juan Domingo Peron was banished; in spite of which the Peronists also ran in the elections and later called for a new election process open to all contenders.

On this topic, he first explained that the government is in a position to lift the penalty imposed on the former president, without thereby offending the Supreme Court of Justice, which was the one that handed down the decision in this case.

As for the question per se, he replied that there would "not necessarily" be a recurrence of "the troublesome situation" of 1973, when Juan Peron was excluded from the elections.

Cafiero stressed that "we Peronists will use any tool to attain this goal (of the former president's reinstatement), of course within the bounds of the law."

Nevertheless, he did not deny that, in the long run, there might be a repetition of the same situation which occurred in 1973; but he recalled that the banishment of General Peron "brought a number of problems for the democracy which was just beginning to operate as of May of that year."

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CSO: 3348/409

## ELECTIONS SPUR POLITICAL INTEREST AMONG COLLEGE STUDENTS

Buenos Aires LA NACION in Spanish 25 May 83 p 4

[Text] It would be nothing new to state that different conditions are present among the student body at Buenos Aires University, spurred on by the actual lack of comprehension on the part of the authorities. They have been brought about by the political reactivation, inspired by the government's announced plan to institutionalize the country.

Starting in 1976, there was progress from the standpoint of peacefulness in the confines of the university, in contrast to the incidents which had occurred between 1970 and 1975, approximately, marked by disorder and, at times, the impossibility of studying. In any event, there was no lack of vanguards of student groups making various demands, but their leaders acted with greater caution, so as not to revive memories that might cause more repudiation than affiliation.

We note that there have been demands ranging from that for repeal of the university law, including the elimination of the entrance examination and the tariff, as well as the stoppage of the teachers' competitive examinations, to the free operation of the student centers which were removed from within the university. This latter request differed from the others, because it did not meet with any great objections; since on the basis of the right of association guaranteed by the Constitution, these centers have the green light to operate.

In general, the authorities evaded the issue, but they agreed to the reorganization of the centers, although with the proviso that they could not operate on the physical premises of the schools, to avoid upsetting the teaching work, and because of the municipal problems existing to house them. Proof of this lies in the fact that, at the end of 1982, there was a renewal of the leadership cadres by means of elections, not without a considerable amount of distrust of the authorities, in the schools of engineering and exact and natural sciences, and in the psychology department.

Now, new elections are drawing attention. It could not be otherwise, when one considers that the last ones (with the exception of those cited) date back to 1975. They began the day before yesterday in the sociology department, and they have been announced for Monday in the architecture and urban development, and the philosophy and letters departments. Subsequently, in June to be exact, there will be elections in the dentistry and medical department; and, in July, in the law and social sciences departments. No date has yet been set for the elections in the Veterinary School.

The interest which the new elections have aroused is visible in the educational establishments, where the walls have virtually started to be covered with proselytizing signs. The schools whose elections will begin on Monday have a large number of students enrolled and, according to coinciding assessments made by the student leaders, a large number will vote (they predict), an unprecedented number in the history of the youth struggles which started with the reform of 1918.

The interest that has been evoked is also influenced by the fact that, last year, the Radical Party became established on the path for winning positions in the student area through the Purple Fringe group, its traditional student entity. This was proven by the consecutive victories won in the elections held in the engineering, exact sciences and psychology departments, and also at the National University of Rosario. The Peronist University Youth did not run in the latter, but at the proper time made progress which established it as the group which contained the student majority. Up until now, the Peronists have chosen to retain the structure of the ranks of the many groups in which they are combined.

Also noted was the rise of independent groups, which would assume a position in a moderate center, and the dissociation from leftist positions which for many years had visibly typified the students' leanings. Based upon the results, the groups with this orientation were the main ones defeated in that partial struggle.

#### The Game of Predictions

What results will the forthcoming elections bring? It is difficult to make a prediction, but in the opinion of the majority of observers, Purple Fringe has the greatest chance of winning them. This presumption has to some extent just been confirmed by this group's victory in the elections at the student center of the National Technological University. Nevertheless, in the case of the sociology department, where the elections have ended, the contest may have been more equal, and those observers prefer to await the results without making premature forecasts.

Meanwhile, the leaders of the most significant movements of FM [Purple Fringe] are seeking to achieve unity on the tickets with which they intend to run in the elections. Thus far, the group has been divided thusly: FM-National and Popular Movement-National Liberation, and FM-National Coordinating Board-Renewal and Change Movement. Just in the case of the economic sciences department, the sector mentioned first will change its name to Authentic University Reform Movement (MURA).

Also in this department, a considerable number of predictions of likely victory, or at least of the attainment of an advantageous position, is given to the ticket comprised of the University Peronist Bloc and to a group directed by the Intransigent Party. The center groups, in turn, constitute influential sectors to be considered in the results. They include the so-called Nexus.

In the philosophy and letters department, the Reformist Orientation Movement (MOR) apparently linked with the Communist Party, was decisive at one time, but now it appears to be on the wane. On the other hand, the Students Center for National Liberation, associated with the Justicialist and Intransigent Parties, is slipping in as a strong candidate to vie, at least partially, for the leadership of the center against the Purple Fringe sectors.

Finally, the architecture and urban development department appears to be the most comfortable area for Purple Fringe, through its two sectors, to impose itself in the elections, although the Peronist University Front is considered a dangerous rival, as is MOR, owing to the reputation that was acquired through domination of the respective center at a different time.

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## IGLESIAS ROUCO SEES MILITARY-LABOR PACT FACING PROBLEMS

Buenos Aires LA PRENSA in Spanish 24 May 83 pp 1, 4

[J. Iglesias Rouco Column: "The Paralyzing Thunderbolt"]

[Text] The activists on the "Right" or Far Right of the Peronist Party, who surround Mr Lorenzo Miguel today and who also have control of the party's official newsletter (some of them are former colleagues of Mr Lopez Rega), yesterday began another poster campaign against Mr Alfonsin and against this writer (which is strange, given how angrily Mr Alfonsin usually reacts to my articles) in connection with the labor-military alliance that we have been talking about for some months. As far as we can tell, this alliance has the backing of certain military intelligence services, which would serve to demonstrate, once again, the scope of the alliance.

## Luder and Robledo

As we reported some weeks ago, one of the most likely electoral tickets of this coalition would be Luder-Robledo, since a candidate "outside the party," such as Admiral Massera or Colonel Premoli, is out of the question. And sure enough, over the last few weeks Mr Robledo has drawn significantly closer to Mr Luder, while almost breaking with Mr Matera. This ticket would naturally lead to a gradual understanding between the CGT [General Labor Confederation] on Brasil Street and the one on Azopardo, which could come much easier than we might think, in spite of the circumstantial squabbles now dividing them. But after the latest developments, which culminated with the death of Cambiasso and Pereyra Rossi, the air force's new assertions against Bignone and the upheavals inside the army, the by now traditional confrontation between the Right and the Left in the Peronist "movement" began taking shape again, and it could lead to a veritable war, similar to the one in 1973. As if that were not enough, Robledo tried to draw closer to Luder, but not vice versa. On the contrary, over lunch on Wednesday the 11th, Luder allegedly rejected Robledo's offer to run as his vice president. While Robledo is (or was) still trying to make Peronism independent of Mrs Peron's will, Luder and Lorenzo Miguel have apparently reached the conclusion, as have the alliance-backers in the army, that nothing can be done without her approval. This is the reason for Lorenzo Miguel's and



even Luder's vacillations and contradictions concerning the case of Cambiasso and Pereyra Rossi. Only Robledo took a definite stand against the Left, while Miguel was photographed with and made common cause with Mr Saadi, and Luder demanded (and certainly not without reason) that the junta prove its charges in court against the head of the Peronist "intransigents," though he did not second his attacks on the junta, as has been said. In a word, the specter of the "lethal thunderbolt" from Madrid (this is how several of Miguel's partisans now see "Isabel") has immobilized the parties to the great labor-military understanding, with the resulting advantages to the Left.

#### Against Alfonsin

This does not mean that the Peronists and the military officers who want a pact have abandoned their plans. Here is a case in point. The file prepared by the second headquarters of army intelligence on Yaguer's doings and Saadi's alleged connections with terrorism purportedly contained at first a section on the Alfonsin faction's reported contacts with the "Montoneros." The decision was supposedly made later to strike this section, out of fear, of course, for the adverse reactions that such a charge could trigger among the political class, which was already quite reluctant to countenance the move against Saadi. As far as we can tell, however, that section was replaced by one on hypothetical plans for terrorist attacks on Lorenzo Miguel, Taccone and Robledo. This was surely an attempt to enhance the image of the labor leaders favoring a pact in the eyes of army officers. Oddly enough, neither Lorenzo Miguel nor Taccone seem to have taken the report very seriously (only Robledo did). As we said, the two are very occupied with (and concerned about) the "thunderbolt" from Madrid and refuse to take stands that could provoke resounding "denunciations" from Mrs Peron.

#### The Pardon

The top military echelons also know now that any sort of pact between Peronism and the armed forces commanders will first have to be approved by Peron's widow, inasmuch as the Lorenzo Miguels, the Ibanezes and the Triacas lack the power or, if you wish, the credentials. The junta has already studied and approved the first draft of a pardon, which is reportedly in the president's hands, ready for his signature. But according to our sources, certain groups in the episcopate are also interested in the matter and, therefore, would have to be heard. This was presumably the reason that Monsignor Laguna met on Monday the 16th with a Peronist commission that, along with others, is in charge of pushing for an end to the sanctions against the former president. The commission is made up of Messrs Arce, Pedro Arrighi, Jose Amerisse, Carlos Tortora and Juan Puigbo.

## Lorenzo Miguel Cautious

In short, not even the pardon issue looks as simple as our military-labor pact supporters imagined a few weeks ago. The problem is that time is flying and if Mrs Peron does not become involved in the "institutionalization" process before the Peronist Party's national convention (mid-August), the party's verticalists [those who favor one-person rule], the backers of an "alliance," run the risk of splitting up, because of their inability to reconcile the interests of the union "branch" with those of the bosses in the interior. This is surely why Mr Lorenzo Miguel is behaving so cautiously now, so much so that he postponed the meeting scheduled for this past Wednesday the 18th at the insurance union local, at which Messrs Ruckauf, Torcuato Fino, Roberto Digon, Luis Casale and Juan Minichilo planned to put together verticalism's single list. According to our informants, Mr Lorenzo Miguel's counterorder came just 3 hours before the closed-door meeting, after alleged pressure from the Iron Guard and the "independents," who are opposed to outright handpicking of candidates, and perhaps also after he gave careful thought to the anger that such a list might arouse from the "thunderbolt" in Madrid. To put it briefly, the Lorenzo faction has presumably decided to mark time until the situation clears up and, in the meantime, to defend just the 33 percent that it feels belongs to it in the apportioning, without overly visible political ambitions. Such a decision does, however, have its drawbacks: 1) As the planned "unity" fades, Miguel's followers and the MUSO forces are starting to vie for the control of verticalism in the capital, as demonstrated by Ruckauf's and Celestino Blanco's clashes with Fino, Casale and Minichilo; 2) Peronism's provincial leaders are finding the door wider open to taking control of the party's national convention by means of an alliance that is already in the works among Messrs Julio Romero, Felipe Sapag, Carlos Juarez and Eloy Camus. This group is going to impose harsh conditions on MUSO and Miguel, including the vice presidential slot for a politician from the interior instead of for a union man (Bittel recently wanted to join this faction but ran into "image" problems, such as his representatives' repeated participation in recent years in ceremonies commemorating 24 March).

## Attacks on Reston

The turmoil that we can see going on within the regime is also tending to complicate the final arrangements for a pact. Here too we can say that there are equally paralyzing "thunderbolts" (perhaps the one from Madrid is among them). According to our sources, General Reston has been and perhaps still is on the verge of his final fall, inasmuch as both Brigadier Hughes and Admiral Franco have reportedly demanded that Bignone not only clear up the Cambiasso affair but fire his interior minister as well. Reliable sources tell us that even some people in the president's office have seconded the demand. Why? The reason is simple. A good part of what Bignone calls his "personal staff," which consists of Colonels Pena, Dagniau and Guendone and other officers, has been losing its influence around the president because (these

sources say) of the "wall" that Reston and Colonel Atasqui have supposedly erected around Bignone. As far as we can tell, the trip that the president had to take last Thursday to the flooded areas was the only thing that prevented the minister's removal. In fact, the following day, when the worst of the downpour was over, the president reportedly admitted as he left Olivos to meet with his commanders that he did not know what he was "going to find" and even reportedly doubted that he would be able to keep Reston in his post. But in the end General Nicolaides presumably supported him in his defense of the interior minister. Nonetheless, no one knows how long this situation can be prolonged. In fact, no one knows how long Bignone himself can remain in. We feel that it will be until 30 October, though we have our doubts.

Well, this is the way things look today. It remains to be seen exactly what the junta will do about Mr Saadi. A few days ago, Admiral Franco supposedly proposed simply closing down LA VOZ. Mr Saadi has now taken the commander to court. It seems clear that the junta too will have to formally charge Saadi, because otherwise it would become an accomplice to the subversion that the "intransigent" leader is allegedly sponsoring. If we bear in mind the support that Bittel and Lorenzo Miguel have voiced for Saadi, this struggle between the regime and the Left will obviously enhance Mrs Peron's decision-making power, no longer just in Peronism but in the entire political process and the regime itself as well. Thus, the crack (or the impact) of the paralyzing thunderbolt will dominate the national landscape. As a matter of fact, it already does.

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## NEGATIVE EFFECTS OF ATTACKS ON WEAK GOVERNMENT UNDERScoreD

Buenos Aires SOMOS in Spanish 20 May 83 p 21

[Mariano Grondona Commentary: "Firing Away at the Government"]

[Text] There is nothing easier today, both inside and outside Argentina, than pressuring the Military Junta and President Bignone. It is so easy, in fact, that almost no one fails to do so. In Madrid, 50 activists occupied the Argentine Consulate to obtain publicity against the government in connection with the tragic problem of the missing persons. In New York, Jacobo Timerman and associates took part in a festival for the same purpose. In Rome, President Pertini had already voiced the most offensive description of the government that we can remember. In Buenos Aires, the roving French ambassador visited the hunger striker, Nobel Prize winner Perez Esquivel. In another vein, Santiago and Vatican City are pressuring Argentina into giving its long delayed "OK" to the papal proposal on the Beagle and the South Atlantic. Inside the country, the members of the MID [Integration and Development Movement] and the Christian Democrats are complementing the overseas activities by pushing for a meeting of political parties. Although still pressuring the government, Peronism and Radicalism are at the same time trying to narrow the gap for a final settlement of the southern waters dispute.

I am really not concerned about what might happen to this government as such. From the standpoint of political analysis, this government no longer exists. Nicolaides and Bignone belong to the past. Argentina will move forward or backward without them. What matters is to what extent the internal and external harassment will condition, restrict the efforts of the Argentina to come.

It is human nature to seek solace by attacking a moribund government. In one of his famous fables, Aesop tells of how the moribund lion feels as if he is dying twice when he sees the insolence with which the smaller animals of the jungle treat him in that condition. This weak, dying government is attracting all those within or outside our borders who see its powerlessness as an opportunity to reap some sort of benefit. It is inevitable. In the jungle a wounded animal is a dead animal, prey to others that used to be weaker than it.

The problem, however, is that unlike lions, countries do not die. This government will die, not Argentina. Will the blows and pressures raining down on the dying government be carried over to undying Argentina? To what extent?

If things are not done reasonably well, to a considerable extent. This should worry us. Moreover, what does it mean "not to do things well"? With regard to the government, to initiate action or make decisions that are not in keeping with its weakened condition. On the opposition side, to concentrate exclusively on harassing the dying regime. Outside the country, to apply undue pressure to take advantage of a crisis-plagued country; but we have to accept this, because there is no reason for other national or ideological interests to think about the good of the Argentine people.

We, however, should. Thus, it is unacceptable for the government to ignore its real condition and undertake actions that are beyond its potential. If a sick person wants to start running, his condition worsens. This is what happened with the document on the missing persons. It has been proved repeatedly that it cannot or does not want to settle the problem by providing the appropriate information, by making appropriate reparations. If that is how things stand, then it had best not add anything to its decision not to resolve the problem. The published document and the incipient plans for an amnesty merely exacerbate the dissent that has been created. The dying lion should at least restrict his movements so as not to be even more exposed to the bites of the animals he used to oppress.

Moreover, the government should carefully refrain from making decisions that could compromise Argentina's future on issues such as the Beagle. It does not have the strength, it is not in a position to do so. It is like those individuals who are in the midst of a crisis and, therefore, should refrain from making decisions until it is over. In such situations the prudent thing is to remain silent and wait.

The best advice is to wait until it clears up. When it does, there will be a new government in Argentina with the strength of a consensus and institutions. Such a government will have the strength and the inspiration, which the dying lion has lost for good, to deal with issues that now seem insoluble, like the Beagle and the missing persons. Moreover, the external forces that are now besieging us will have seen their power diminish. Pinochet's regime, which has begun its countdown, is still stronger today than Bignone's; it will be weaker and certainly less representative than the one that succeeds Bignone's. The democratic governments in Europe and the United States will have no ideological grounds on which to assail the Argentine democratic regime. Pertini will vent his bad moods on other countries.

If it proceeds differently, the military government will further irritate all those who are emboldened by its death throes. In that case, it



will not merely sink deeper into discredit and powerlessness; it will also transmit to its heirs the image of a diminished country. In turn, the opposition would do well to look increasingly like "heirs" and to see to it thus that their inheritance is not overly cheapened because everyone is merrily firing away at the government. The issue today is Argentina's future. Without Bignone and Nicolaides, who have no future. Let the dead bury their dead. At this juncture we should all realize that. But the dead persist in pretending that they are alive, while the living continue firing away at them senselessly.

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## JORGE BLANCO'S FIRST YEAR IN OFFICE REVIEWED

SJB on Government, PRD

Santo Domingo LISTIN DIARIO in Spanish 17 May 83 p 10-A

[Text] Yesterday, President Salvador Jorge Blanco stated that, a year after his electoral victory, "cohesion" and very good relations exist between the government and the Dominican Revolutionary Party [PRD]. Jorge Blanco delivered an address at the PRD's National Residence, where he went to mark the date which brought him to power in 1981. His comments were as follows:

"Today is the exact anniversary of our electoral victory which took place on 16 May 1982. Black stormclouds darkened the election campaign at that time. Our party, submerged in major hostilities, heightened by the natural ambitions and aspirations for the various government posts, resembled a Tower of Babel, because the internal strife which was to cease after our overwhelming victory was reactivated by attitudes stemming from certain sectors of public administration which, despite the repeated intervention and persuasion of Comrade Dr Jose Francisco Pena Gomez, did not understand what had happened internally in the Dominican Revolutionary Party. It was then that we started an election campaign against all obstacles, until we attained exactly what we are marking today, as an anniversary of the electoral victory of 16 May 1982. That is why I am here today, to make public reflections which I deem fitting, exactly a year since that victory, for the future of the Dominican Revolutionary Party itself; and, in addition, to cite the cohesion and, at the same time, the relations between the party and the government, and in this way, to make fruitful with these public reflections the history yet to be written of the Dominican Revolutionary Party.

"There is a notion and, among some, even a conviction that the promises which politicians make during election campaigns remain mere promises once the elected candidate assumes power.

"Many think that those promises are intended only to curry favor for the politicians with the voters, and that what best suits the public official who is elected is for no one to remember those promises, or at least for no one to confront him with them as national demands, once he has come to power.

"This is why some politicians do not even publish government plans during their election campaigns, much less concerning themselves with printing their campaign speeches.

"Nevertheless, the one addressing you is of the opinion that it is the obligation of every candidate who benefits from the people's votes to constantly remind himself of the promises that he made during his campaign. An essential sense of personal integrity and, in particular, of respect for those who gave him their votes, obliges every serious politician not to forget those promises of the excited days of the election campaign.

"Since I firmly believe in the aforementioned concepts, I myself have taken the initiative of including, in a single volume, the 10 main speeches that I delivered during the 1982 election campaign. Some individuals suggested to me this book, which contains the essence of what we told the nation we would do if we were elected president during the 1982 campaign, pursuing a rule that we started with the publication of our government program, very early in the campaign.

"The speeches which appear in this volume were delivered by me as a candidate of the Dominican Revolutionary Party in the 1982 elections. It is not a book written by a president, but rather by the party's candidate, elected at one of the most democratic intraparty conventions ever held on this continent. Consequently, I have deemed it most fitting to circulate this volume in the National Residence of our party itself. It is a book of the party, and not a book of mine.

"It is also fitting to take the occasion of this meeting among party members to make a few comments about the relations between the government of national concentration and the Dominican Revolutionary Party.

"To the one addressing you, it would be very convenient to try to establish, or suggest, from the presidential seat, what the groundrules should be for the relations between the government and the party. That would be a convenient, rather dishonest position. The proper thing is that today, as president of the republic, I should have the same ideas that I had on this subject when I was not yet a candidate of the Dominican Revolutionary Party nor president of the nation.

"We must be consistent about such critical matters as these, and repeat today what we said yesterday; repeat today, when we are president of the republic and of all Dominicans, what we thought and said yesterday, when we were senator and president of the party.

"Therefore, what I shall say today on this subject reproduces verbatim various public statements made on the topic that I made when I was senator, and which I compiled in a public letter that I sent to Msgr Polanco Brito on 24 September 1979, in response to a letter of his addressed to the top-ranking leadership of the Dominican Revolutionary Party on the occasion of the feast day of Our Lady of Mercy; a public letter which, of course, is published in my book, "Topics for the Press," which went into circulation during the recent Book Fair.

"For example, 8 months after Antonio Guzman Fernandez took office, I submitted to the party's National Executive Committee a document printed in the national press which I consider appropriate to quote now, exactly 9 months since our own swearing in. On that occasion, I said that "forceful measures and steps should be taken by

the National Executive Committee in order to combat and eradicate any premature or extemporaneous campaign or strife within the party aimed at the promotion of candidates for the 1982-86 term, because it would run counter to the interests of the party and the country'; and I added: 'This has been my constant preaching, action and conduct, both public and private, written or verbal, including the defense and strengthening of the government.' In my letter to Msgr Polanco of 24 September 1979, I explained the need for "refraining from any strife which could represent a weakening of the constitutional mandate of the current regime of President Guzman, and strengthening of the institutionality embodied in the present constitutional system.'

"On 5 July 1979, on the occasion of the anniversary of the Dominican Revolutionary Party, I stated: 'The Comrade President of the Republic, Antonio Guzman Fernandez, is a meritorious and distinguished PRD member, inspired by a firm desire to carry out a great government endeavor, and in his solicitude for fulfilling that lofty mission he has my support, of which I have given great personal evidence both as president of the party and leader of the minority in the Senate, but on whom the task of guaranteeing the Dominican Revolutionary Party the credentials with which we shall retain power in 1982 is incumbent. For this reason I have said and I repeat that, insofar as our government carries out its government work constructively and is backed and defended with loyalty and steadfastness, and with a critical sense, by all of us, to that extent the Dominican Revolutionary Party will be able to retain power in 1982.'

"On 18 April 1979, in the document which I submitted to the National Executive Committee, which I mentioned earlier, I said: 'The party, but particularly its most prominent leaders, have a long distance to traverse. There are serious national problems. We must have a broad view of the entire Dominican horizon in order to face all the consequences together, and not be blinded by petty things which are trifles compared with the major national problems. In this respect, we must bring about a revival of thought and action on all levels.'

"I finished that letter to Msgr Polanco Brito by stating: "I beg God and the Virgin of Mercy to enlighten all the party leaders, but also the president of the republic, so that these serious problems of the government's relations with the party may find their just solutions, in order to contribute, thereby, to the country's democratic institutionality which often deteriorates when governments try to absorb the parties. This is why I have always said that institutional crises have their origins in these attitudes which have repercussions on and cause crises in the parties.'

"As is evident, I was urging Antonio Guzman, when he was president, to be a moderate person and not a participant in the life of the party. Nevertheless, this never happened during the 1978-82 term, either within the party or within the government. Quite the contrary: during that period there was an attempt to hegemonize the government's presence in the life of the party. My consecutive complaints, with convincing deeds (and the proof lies in history itself), to check the struggle among movements and to eliminate any campaign in the party out of season (and there is an entire documentary history of this) were not heeded either in the party or in the government at the time. The documents are telling, and many of them have been excerpted during the course of this address.

"It was for this reason, and with this bitter personal experience that, after my electoral victory, basically a result of our movement which had raised us to the status of candidate in the party, and because of a series of circumstances which it is not pertinent to analyze here now, that we declared that we intended not only to dissolve our movement but, at the same time, to govern with the entire party, in its large scope, not only implementing the basic program, such as the program of the government of national concentration, but also, at the same time, having the presence of cadres from the whole party, in greater or lesser numbers, that exist in the party, without discrimination, and with those cadres present in the major bureaucratic positions, so that the government would have the quality of representation that it has had since its origin on 16 August 1982. I shall not mention names of high, medium or rank and file level comrades who are discharging bureaucratic duties in the internal or external service of the republic, because listing them would exceed the bounds of this speech, and everything that was carried out in contradiction to the followers of the movement which I headed in the Dominican Revolutionary Party, who thought that, as backers and supporters of my candidacy and my victory, they should monopolize the entire public administration. Nevertheless, this was not the case, and it was totally different from what had happened during the term of 1978-82.

"This position of mine, which is in solidarity with the party's life and development, has not yet been understood; but there is time to reflect. In this connection, for the desperate comrades who have set forth on endeavors that upset the harmonious progress of the government plan and its relations with the party, this is a fitting occasion to remind them that in Mexico, for example, where the Institutional Revolutionary Party has been governing for over 50 years, every time a new candidate is elected there is a shakeup on all levels of the government and the party, of the administrative and executive cadres. And we might ask, what are the reasons which have allowed for this situation, dissociated from the internal preferences of movements, persuasions or options? There are simply three things: In the first place, non-reelection; secondly, the hope of winning; and thirdly, the change of all the cadres in both the government and the party. Those who are removed either take on different duties or return to their private lives, or set forth on new tasks, awaiting another opportunity for participation in political activity. But they do not become sowers of thorns or hurlers of rocks against the government of their own party which, actually, apart from the fact that it is governing for the whole country, as in our case, also wishes to intensify the democratic, republican and moralizing ideals which gave rise to the Dominican Revolutionary Party on an auspicious occasion.

"But one need not go very far to find positive experiences regarding what the behavior of a party should be with the government that acts as its foundation and support. There are in the country the negative examples of the breakdown of a party with respect to its government, as in the case of the Reformist Party during the 12 years of Dr Balaguer, living in a totally deinstitutionalized manner, without any great existence, in competition with parallel structures in the reformist movement itself, which declined externally or as a result of the party's lack of skill or owing to the corruption of groups which flourished under the protection of unprecedented trafficking in the government. Nevertheless, I wish to point out that neither of these two situations should occur either in the Dominican Revolutionary Party nor in the government of national concentration because, although the partisan aspect does not concern us, since we are and shall be elements of moderation and not participation; on the other hand, the different aspect which does



indeed concern the power of the government enables us to state emphatically in this National Residence that corruption will not be allowed in the government of national concentration.

"The petition that I made on 18 April, 5 July, 26 July and 24 September 1979, with formal messages to the effect that 'we have stressed the necessity to curb the movements, putting the national interest ahead of everything, and that any campaign aimed at 1982 is detrimental and harmful,' I repeat now, with the authority which comes to me not only from personal experience and my political consistency, but also with the authority that comes to me from the exercise of power, with respect, consideration and adherence to the party's basic program and its representatives in governmental decisions, with its most prominent men and women; and, apart from personal preferences, I formally urge the party to refrain, directly or indirectly, dissociating itself from any election campaign aimed at 1986, and all its high-ranking leaders, without distinction, to follow the example of Dr Pena Gomez, using their authority to preserve the course of our party's history.

"The Dominican Revolutionary Party must lead an institutional life, and become dynamized with the entire part of the program which deals with many things, among others, reforestation, the citizens' literacy, the conservation of the national heritage, public morality and national vaccination against poliomyelitis, aimed at eradicating traditional ills in our country, so that the silent citizens will not react against the loud talk and will realize that there is a vigilant, serious and responsible party that is in solidarity with every government measure directed toward combating old ills and that is always receiving the effects or the ideas from the national hero Juan Pablo Duarte and from the sword of Gregorio Luperon, which cause the irredentist rank and file of our party to tremble.

"We still have time. Today, precisely, we have 3 years before reaching 16 May 1986. Tomorrow may be too late.

"Long live the Dominican Revolutionary Party.

"National Residence, Santo Domingo, 16 May 1983."

#### Paper Notes In-Fighting

Santo Domingo LISTIN DIARIO in Spanish 18 May 83 p 6

[Editorial: "The Party Conflicts, Part I"]

[Text] At the ceremony held at the Dominican Revolutionary Party's National Residence on the occasion of the first anniversary of the electoral victory of Dr Salvador Jorge Blanco, the latter asked his party very clearly to put an end to the internal conflicts over candidacy issues, because the time remaining until the next elections is rather long. Some activists, with an excessive eagerness for election, are daring to indicate candidates for the 1990 elections.

The president, Dr Salvador Jorge Blanco, stressed that his party's primary obligation at present is to cooperate in the execution of the government programs, giving constant support to institutionality.



The early struggle for candidacies and positions is creating harmful suspense among the entire Dominican people, who always need a moderate amount of time to recover from a heated electoral contest, so as not to live in the perpetual upheaval created by the fighting caused by opposing political emotions.

The leaders of the government party who, because they are such, assume greater responsibility, must realize that, in the midst of a crisis of such alarming prospects as the one being experienced by our country, and by the majority of American countries, it is truly damaging for political emotions to remain red-hot.

Time is continuing at its unchanging pace, and human emotions cannot speed it up. It is fitting, for the good of the entire nation, for the petition made by the president of the republic to the loyal followers of his party to be heard and obeyed. We must not, out of personal egotism, worsen the problems that the government is dealing with so perseveringly and courageously.

#### Comment Continued

Santo Domingo LISTIN DIARIO in Spanish 19 May 83 p 6

[Editorial: "The Party Conflicts, Part II"]

[Text] Our topic of yesterday, regarding the party conflicts which are cropping up with such ominous persistence in public life, deserves further comment.

But we must stress the moderate petition issued by the president of the republic, Dr Salvador Jorge Blanco for the halting or soft-pedaling of the meetings of the so-called "movements" within the government party.

All the political groups in the country have their problems. The fighting within the Reformist Party, the one with the greatest strength in the opposition to date, is also a factor for political upheaval; but it is undeniable that the government party should set the example of consistency and good sense, because the government's action is upset by a split in the middle of that great political force.

What is at stake now is the supreme interest of the nation, which always comes before personal ambitions.

The national economy is weak, owing to the drop in production and exports, as well as the heavy burden of a public debt which weighs burdensomely on all sectors of national life.

The top-ranking PRD leaders, both in the capital of the republic and in the interior section of the country, must put a stop to their desires for election, and heed the the president's demand, which is one of all Dominicans, for the sake of the occurrence of the real recovery that the nation ardently desires.

Jacobo Majluta, president of the Senate of the Republic and of the Dominican Revolutionary Party, for his part, has maintained that the electoral aspirations within his party should be continued, without constituting an element for internal division or a threat to its integrity. Majluta called for a major effort to maintain the party's internal unity.

2909

CSO: 3248/886

## CURRENT U.S. POLICY SEEN AS PRESAGING INVASION

PA091408 San Salvador EL SALVADOR PROCESO in Spanish 23-29 May 83 pp 1-2

[Editorial: "Abuses of Intervention"]

[Excerpts] The fact that Mr Reagan has put his personal prestige and his political future on the line in order to pursue a Central American plan has brought about a hardening of U.S. political policies toward the area and a notable increase in the levels of intervention. Americans train Salvadoran officers at Fort Benning and soldiers in Honduras. They direct counterinsurgency operations in this country and, with their nocturnal flights they carry out espionage in the Central American skies. Americans also program reforms and elections for the country, and provide the dollars for financing. Americans investigate Salvadoran institutions, establish the limits of the acceptable political spectrum and continue to select their favorite candidates. Engineer Duarte, himself a political beneficiary of this plan, has called some U.S. interventionist attitudes unacceptable, and has moreover accused the Reagan administration of caring little about the electoral plan, except to attain its own objectives. It is in this context that the deputy commander of the U.S. advisers in El Salvador was murdered by an FMLN cell, whereupon his death takes on political significance.

The increasingly drastic statements by U.S. Government spokesmen show a narrowing of options and the consequent hardening of the selected war option. Official denials do not erase the idea that the public is being prepared for an eventual deployment of troops to El Salvador and/or Nicaragua, a logical consequence if vital U.S. interests are at stake, and if, as Pentagon spokesmen have stated, the Salvadoran war is almost lost.

A factual confirmation of the U.S. hardening is the blockade, no less effective because it is indirect, of the Contadora Group efforts to try and find a peaceful solution to the area's conflicts; and Enders' replacement as the person most responsible for the policies toward Latin America by a man from the currently prevailing hardline team.

The progressive U.S. intervention is accelerating the intensification and internationalization of the war, without creating a basis for a stable solution of the area's problems. On the contrary, the real causes of the internal conflicts in each of the countries in the region seem to be further away today than ever. The war has become the main Central American problem and concern.

CSO: 3248/899

INCREASED TRADE WITH ARGENTINA, PANAMA

Preferential Status for Coffee

San Salvador LA PRENSA GRAFICA in Spanish 28 May 83 pp 5, 19

[Text] In exporting coffee to Argentina, El Salvador is competing with Brazil and Colombia and is paving the way for trade with other countries of the Southern Cone.

This statement was made yesterday by Blanca Imelda Jaco, technical adviser of the Ministry of Foreign Trade, in announcing that coffee exports to Argentina will be exempt from duty in accordance with a preferential tariff agreement that forms part of the bilateral treaty negotiated between El Salvador and Argentina.

She said the trading lists that have been negotiated enable us to envision an upsurge of trade between the two countries--and also with other countries to the south--on the basis of preferential customs treatment, subject to the approval of ALADI [Latin American Integration Association].

"Our coffee is a product that can compete perfectly well with the coffee of Brazil and Colombia, and its prospects are excellent," she added.

El Salvador-Panama Trade

For his part, Dr Jorge Ernesto Recinos, undersecretary of foreign trade, disclosed that the permanent joint commission of the Treaty on Free Trade and Preferential Trade between El Salvador and Panama will present to the Panamanian authorities--on behalf of the Salvadoran representatives--the proposal for establishment of a mechanism for reciprocal clearing of payments and credits.

Dr Recinos added that the objective is to deal in an integrated manner with the various matters that are covered in the treaty and fall within the jurisdiction of the joint commission. The basic aim of the commission--as the technical organ of the treaty--is to strive for the development and increase of two-way trade for the benefit of the signatory parties, he said in conclusion.

Credit Mechanism Established

San Salvador LA PRENSA GRAFICA in Spanish 3 June 83 p 58

[Text] A temporary administrative mechanism will be established next Monday, 6 June, for the control of imports from Panama.

The purpose is to regulate Salvador's imports from that republic, in response to the situation resulting from the Ninth Meeting of the Joint Commission, Second Round.

This control procedure requires that import control authorization be obtained from the Ministry of Foreign Trade prior to initiating negotiations with the Central Reserve Bank or Customs Register, as the case may be.

This measure is said to be in accordance with standards of reciprocity designed to regulate bilateral trade as provided for in the Treaty on Free Trade and Preferential Trade signed between El Salvador and Panama.

10992

CSO: 3248/890

## CHAVEZ FAVORED OVER DUARTE

San Salvador EL MUNDO in Spanish 11 Apr 83 p 7

[Commentary by Orlando Gamboa]

[Text] This time I will not discuss pedagogical subjects but rather something which is of the greatest interest at the present moment, following Dr Alvaro Magana's announcement concerning the coming presidential elections. For us it has been stimulating and unexpected to observe how a pre-election atmosphere is beginning to be in evidence, in anticipation of the renewed participation of the qualified voters of El Salvador.

In spite of the new parties, everything leads one to believe that the electoral contest will revolve around two or three parties at most. Up to now, only the Christian Democratic Party [PDC], is getting ready to nominate officially its candidates for president and vice-president of the Republic. That is what I want to talk about, even though I do not belong to that party.

I have learned from the media that the PDC has to choose between Jose Napoleon Duarte and Dr Fidel Chavez Mena. Without wishing to be a spoiler, I honestly believe that Duarte should not become a presidential candidate. He showed his ineptitude when he was a member of the Popular Unity Junta [JUP] and he disenchanted many with his leadership and charisma which are now open to question. As a Salvadoran I say, "He is burned out."

As to Dr Fidel Chavez Mena, a young professional, I have no desire to campaign for him since I have no interest in the PDC except for its impact on the country. I knew Chavez in the sixties when we were both studying law. I knew him as always being enthusiastic about just causes, perhaps due to his Catholic upbringing. Later on he studied sociology, economics and business administration (INCAE) [Central American Institute of Business Administration]. He was also outstanding in these fields and has written books which have been used as references at the university. If I remember correctly the PDC youth movement evolved from ACUS in the sixties, with Chavez at the forefront. As an intellectual, he belongs to the El Salvador Atheneum.

Beyond his being a party member is the fact that he is one of the 20 citizens of the world nominated for the Nobel Peace Prize for his efforts to bring



about the 1981 treaty with Honduras. He has been awarded many decorations among which is that of "Leader for Peace." He brought about John Paul II's visit to Central America. He also arranged for economic aid for El Salvador. A fellow PDC party member of Chavez told me that he personally believes that Fidel Chavez Mena will be the PDC's official candidate "since his vision of achieving peace is much broader than Duarte's."

As the other candidates appear, I believe the voters have the right (and the duty) to get to know them impartially in order to make their own judgments. This is my objective in this statement.

9204

CSO: 3248/815

**MERECEN NOMINATES CANDIDATES: ROSALES, AZAHAR**

San Salvador DIARIO LATINO in Spanish 26 Apr 83 p 21

[Text] Dr Juan Ramon Rosales y Rosales and the lawyer Lt Col Salvador Andrejullo Azahar have been nominated candidates for president and vice-president of the Republic by the Stable Republican Centrist Movement [MERECEN]. The MERECEN headquarters was too small for their fellow party members and sympathizers to fit into.

MERECEN reported that the nominations were made after the party cadre throughout the country and those present at the headquarters were consulted and the following resolution was passed:

- 1) To nominate as candidate for the presidency of the Republic for the next term of office Juan Ramon Rosales y Rosales in view of his merits and capabilities, appealing to his patriotism and love of the people to accept the nomination.
- 2) To adopt as its own the unanimous feelings of the vast majority of the Salvadorans with regard to the spotless personality of Professor, Lawyer and Lt Col Salvador Andrejukio Azahar, who has all the civic, moral and intellectual qualities necessary to be the vice-president of the Republic. These feelings amount to a popular esteem which MERECEN has the honor of respecting as the sovereign will be confirming him as nominee for vice-president of the Republic for the next term of office.

Dr Juan Ramon Rosales y Rosales was congratulated for the trust invested in him.

9204

CSO: 3248/815

INDEPENDENT DEMOCRATIC PARTY SEEKS PERMANENT STATUS

San Salvador LA PRENSA GRAFICA in Spanish 6 May 83 p 57

[Text] Eduardo Garcia Tobar, secretary general of the Independent Democratic Party [PID], said yesterday that PID proposes to guide the economic recovery in the direction of a dynamic, rational and organized economy for the evolution of a balanced and just society.

He said that the party is awaiting authorization by the Central Elections Council to begin collecting 3,000 signatures which it will present to that body so as to establish itself as a permanent party.

He said, "As we have previously stated, PID is not just one more party. We hope to convince the thousands of independent Salvadorans to join into a single force for promoting peace and progress in El Salvador."

Among the party goals is to consolidate the agrarian, banking and foreign trade reforms so that they will operate as a modern system leading to integral development. We plan to foster industrialization to create jobs, and to respect the labor associations and cooperatives which help to accomplish this.

PID will fight to end politics in the municipalities and to establish them as metropolitan entities to provide better municipal services. With regard to education, Eduardo Garci Tobar said, "We plan on a functional educational system at the preschool, basic and higher levels to train the citizens to reach the highest performance in their professions."

9204

CSO: 3248/815

## PUBLIC EMPLOYEES' BONUS CUT DUE TO FISCAL CRISIS

San Salvador DIARIO LATINO in Spanish 14 May 83 p 5

[Excerpts] This year, 100 million colones in taxes will not be collected--revenue that has until now been coming into the national treasury. Moreover, there are no prospects that this revenue will be received at any time during the remainder of the year, and other measures must therefore be adopted. The above statements were made by Dr Julio Enrique Acosta Baires, undersecretary for revenue in the Ministry of Finance, at a press conference given yesterday concerning income tax, highway tax, and territorial agricultural and stockraising tax receipts during the 1982 period.

Citing the seriousness of the situation, he declared that there is no alternative but to cut expenditures, starting with the most elementary ones such as the annual Christmas bonus granted to public employees.

He explained that the Christmas bonus is not regulated by a permanent law but is instead granted annually by the Legislative Assembly through the issuance of a decree, and authorization of the bonus is dependent on the state of the nation's finances.

For his part, Undersecretary of Finance Luis Melendez Flores told a press conference this morning that public employees will this year receive no Christmas bonuses--which represent an expenditure of 60 million colones--and that this will have the effect of worsening the economic situation of 120,000 public servants who are deserving of this monetary recognition. He was accompanied to the press conference by Dr Julio Enrique Acosta Baires, undersecretary for revenue in the Ministry of Finance, and by Miguel Barrera and Norma de Avelar, officials of the Administrative Department.

10992

CSO: 3248/R26

## ENERGY SITUATION ANALYZED, RECOMMENDATIONS MADE

San Salvador EL TIEMPO in Spanish 3 May 83 p 7

## [Text] A. Relevant Facts Concerning Energy Consumption

In 1979, energy consumption in El Salvador totaled 2.746 billion colones (at 1983 prices): 20 percent of the gross domestic product for that year.

Firewood provided 58.9 percent of the energy consumed and electric power only 5.4 percent--a circumstance that indicates how little the national economy is dependent on electricity. These percentages are not applicable to San Salvador, but they are to the country as a whole.

Eighty percent of the energy produced by firewood is wasted because of the type of stove used: that is to say, 1.4 billion colones is lost each year because of inappropriate stoves.

Mechanized transportation accounted for the expenditure of a total of 1.476 billion colones in 1979. Of this total, 1.135 billion was spent on transportation by private vehicles (780 million in urban areas and 355 million on the highways).

Public transportation accounted for an expenditure of 163 million colones. Of this total, only 13 million represented interurban transportation; the remainder was urban.

Taxicabs accounted for approximately 50 million colones.

In 1979 there were 136,280 motor vehicles, of which total 113,000 were privately owned and 5,400 were government vehicles.

Interurban freight hauling represented an expenditure of approximately 118 million colones.

Most of the energy for industry and agriculture is derived from petroleum.

Household consumption accounted for 64 percent of the energy produced in 1979.



The use of wood stoves is regarded as a symbol of backwardness, despite the existence of modern wood-burning stoves that are unknown in El Salvador.

Those who have petroleum to sell--or loans for hydroelectric dams--are campaigning against the use of firewood, which is a domestically-produced energy source.

#### B. Relevant Facts Concerning Production

1. In 1979 a total of 27,456 gwh [gigawatt-hours] (millions of kilowatt-hours) of energy was consumed. In the year 2000--when our population will have doubled and the production of goods and services will have quadrupled--we shall need 50,078 gwh.
2. Firewood--together with "biogas"--can provide 95 percent of the energy we need.
3. In the year 2000, energy capacity could be as follows (M¢ = millions of colones; mw = megawatts) [see table]
4. A total of 7 million cubic meters of mud and sand are deposited annually in the Corazon Grande, and with the burning of woodland and the yearly cultivation of the hillslopes this figure could double.

#### C. The Problem

During the past 30 years we have neglected our principal source of energy--firewood--and we have slipped into a dependence on petroleum and on loans for the construction of hydroelectric dams and related distribution systems.

#### D. Recommended Solution

1. The CEL [Lempa River Hydroelectric Executive Commission] should dedicate its efforts--on a priority basis--to purchasing hillside lands, planting forests, and selling processed firewood and lumber.
2. Promote private, cooperative and state enterprises that will devote themselves to selling modern, attractive wood stoves.
3. Speed up the process of nuclearization, so as to reduce energy shortages in the transportation sector and save approximately 1 billion colones per year in foreign exchange.
4. Promote private, cooperative and state enterprises that will produce biogas and the equipment to convert this type of energy into heat, cold and illumination.
5. Develop a new concept of the city that will lead to a reduction in the energy requirements of the transportation sector, and promote the use of firewood and biogas as energy sources.

Source	Investment per mw (millions of colones) (M <sub>C</sub> )	Energy Capacity, and Value					Evaluation of capacity for 2000
		1979		2000			
		gwh	(M <sub>C</sub> )	mw	gwh	(M <sub>C</sub> )	
Firewood	nil	16,112	1,611	--	25,000	2,500	Firewood from 400,000 hec- tares of woodland
Petroleum	.01	7,976	797	--	3,000	300	We have no foreign exchange
Sugarcane bagasse	nil	1,838	184	--	4,000	400	Double the area planted to cane
Hydroelectric power	1.20	668	87	1,232	4,900	490	All Lempa River and small rivers
Geothermal elec- tric power	.40	391	39	450	3,900	390	All; optimistic
Coffee bean hulls	--	50	5	--	150	15	No waste
Urban and agri- cultural waste	--	--	--	500	1,500	150	Clean cities
Solar, thermal	--	--	--	2,100	4,600	460	210 km <sup>2</sup>
Solar, photo- voltaic	48.00	--	--	688	768	77	11 km <sup>2</sup>
Wind	2.60	--	--	200	600	60	20 kms x 10 kms
Water hyacinths	2.0	--	--	--	1,000	100	400 km <sup>2</sup> of reservoirs
Coffee pulp	2.0	--	--	--	1,000	100	--
Human waste	.2	--	--	--	60	6	All
Human and ani- mal waste	.2	--	--	--	--	100	Cities without cesspools; clean rivers
Total	--	27,456	2,746	--	50,078	5,058	

Key: (M<sub>C</sub>) = millions of colones

10992

CSO: 3248/826

MIPLAN ISSUES REPORTS ON GASOHOL PLANT

Summarizes Progress, Benefits

San Salvador DIARIO LATINO in Spanish 26 Apr 83 p 15

[Official statement dated 19 Apr 83]

[Text] MIPLAN [Ministry of Planning], at the time of the visit by the minister, Manuel Antonio Robles, to the economics and agriculture committee of the Constituent Assembly in order to explain more fully the benefits of this project, released an official statement whose text we are giving below, as this is an official document which seriously analyzes the matter.

The ministry of planning, as the party responsible for supervising the execution of the anhydrous ethyl alcohol plant, has submitted to the Constituent Assembly full information on this project, which has been discussed by the media with some persistence.

This document covers: a physical description of the project; the macroeconomic impact and objectives of the project; financing and criteria for selection of the supplier; execution of the project; legal bases for contracting; economic cooperation agreements with the Venezuelan Investment Fund; and a background report on the project.

This anhydrous ethyl alcohol plant offers a guarantee of stability, both from the point of view of creating jobs, and also from the viewpoint of the canegrower. It will also ensure a demand for raw material that will stimulate an expansion of the area planted, by means of a stable and profitable price level for the grower.

The initial production capacity is 60,000 liters per day. There is a possibility of doubling this capacity by expanding the facilities of the plant, reports the document sent to the Assembly.

With the full operation of the alcohol production plant, there will be an improved utilization of the cane crop, which will benefit the producer and will also help to keep employment levels in agriculture up.

#### Quality of the Plant

The supplier promised in the contract to provide first class materials, equipment, and accessories in the plant. This is considered to be a certainty as this facility will be supervised both by the financial institution and also by our national authorities, who will combine their efforts to ensure that the contract specifications will be met, emphasizes MIPLAN.

It is appropriate to point out that an anhydrous ethyl alcohol plant differs primarily from liquor-producing distilleries in its final dehydration process, which requires the installation of additional equipment.

The project will be completed in 22 months, which, according to the MIPLAN report, means that at the present time 50 percent of the work has been done.

#### Agricultural Policy and Job Creation

The development of this project, it was pointed out, provides a guarantee for sugar cane cultivation. If international sugar prices are high, this would become an incentive to plant more cane and produce more sugar for the export market. As a result, there would be large surpluses of molasses, a byproduct that is used in the production of anhydrous alcohol.

When international sugar prices are so low that they act as a disincentive for production for the export market, the sugar cane juice can be used as a raw material for anhydrous alcohol. In this way this project guarantees a profitable return for the crop, and the creation of jobs related to this activity.

#### Execution of the Project

Execution of the alcohol plant project began on 27 May 1982, and to date the supplier is performing in accordance with the contract the activities listed therein. The obvious delay which has occurred is in the activities to be performed by the GOES [Government of El Salvador], reports the MIPLAN document.

The resources listed in the chart as "funds reserved for GOES spending" cover funds from the FIV [Venezuelan Investment Fund] loan, which will be used directly by the GOES for its commitments, in accordance with the supply contract. These resources have still not been used, since the Accounts Court has not approved the instructions for handling the project funds. This is the cause of the delay mentioned earlier.

#### Macroeconomic Impact

The benefit to the balance of payments is derived from the conversion of the petroleum bill into project financing. The advantage of this conversion into long-term project funding is that the resources which finance oil must be repaid within a term of 5 years at an interest rate of 4 percent, while resources used to finance projects such as the anhydrous ethyl alcohol plant must be repaid within a 20-year term, at an interest rate of 2 percent. This means that a short-term debt can be converted into a long-term debt at more attractive terms, explains the document sent to the Constituent Assembly.

The total cost of this project is 31 million colons, which is being financed at very good terms by the FIV, as was mentioned in the preceding paragraph. It is included within the petroleum contract signed with Venezuela.

The FIV has also signed with El Salvador economic cooperation agreements designed to facilitate the import of energy products and other goods and raw materials from Venezuela. To date the FIV has granted El Salvador the sum of 253,361,301.89 colons, in the form of loans.

This financing has been distributed among a number of projects, such as: San Lorenzo Hydroelectric Project, Jiboa Sugar Mill, Construction Industry Recovery Programs, through the Social Fund for Housing, and economic recovery programs designed to operate through the construction of housing units for low and medium-income families.

This government ministry, acting through its technical staff, has fully explained the merits of this project to the various sectors involved in this area, both the cane producers and the national liquor industry. The project will provide us with significant savings in foreign currency that would otherwise be used to purchase petroleum byproducts; it will create jobs; it will stimulate the cultivation of cane throughout the country, by creating an assured market and prices. Even when international market prices drop and are no longer profitable, cane



juice, in addition to molasses, can be used in the alcohol plant, according to the planning ministry report.

Although this document has been submitted to the Constituent Assembly with full details and an exact schedule of the project, the ministry of planning and coordination of economic and social development is always ready to offer any further illustration and information, whether technical, economic, or related to the social impact of this project, both to the general public and in particular to those sectors involved. These groups have always been kept informed and given data on this matter, whenever they have contacted the ministry, concludes this report.

#### Clarifies Financing, Budget, Obstacles

San Salvador LA PRENSA GRAFICA in Spanish 9 May 83 p 37

[Text] Clarification

The ministry of planning, in consideration of the fact:

- a) That it has an obligation to clear up doubts about the Anhydrous Ethyl Alcohol Plant, as it has responsibility for this plant and responsibility to the present government, and also because of an international commitment made by El Salvador:
- b) That statements which may confuse the public have appeared in the communications media;

Hereby reports:

#### I Financial Situation

Loan no C2-ES-07-108, signed on 29 March 1982, between the FIV and the Republic of El Salvador, amounts to the sum of 29,762,499.70 colons; this loan is to be used to finance the installation of a plant producing anhydrous ethyl alcohol.

The funds are to be used as follows:

- |     |  |               |
|-----|--|---------------|
| I   | Total of El Salvador's loan with the FIV   | 29,762,499.70 |
| 1.1 | Value of the contract between the government of El Salvador and the firm CBT, S.A. (cost of supplying the plant) | 26,525,000.00 |

1.2 Spending by the government of El Salvador, based on its contract commitments (difference reported in the media) 3,237,499.70

Pumping and drilling equipment	459,999.70
Transmission line	225,000.00
Emergency boiler	615,000.00
Additional tank	250,000.00
Binational equipment, staff	437,500.00
Working capital	1,250,000.00

As may be observed, the government of El Salvador signed a contract with the FIV for a loan in the amount of 29,762,499.70, which includes:

- a) Payment to CBT, S.A. for supplying an anhydrous ethyl alcohol plant: 26,525,000.00
- b) The amount of 3,237,499.70 to finance spending by the government of El Salvador for its contract commitments.

## II Obstacles Hindering the Execution of the Project

According to the mechanisms stipulated in the contract and the budget provisions, it was established that, in order for the government to make use of the 3,237,499.70 to finance its spending required by the contract for the execution of this project, the government will make application to the FIV, and on each occasion it does so, the FIV will deposit funds in the Central Reserve Bank of El Salvador, which will then transfer these funds to a government budget account.

So that these resources could be used as stipulated in the preceding paragraph, it was necessary to prepare instructions that had to be approved by the Accounts Court of El Salvador; therefore, MIPLAN, acting in conjunction with the ministry of finance, prepared instructions no 1184 entitled: "For handling funds for the Anhydrous Ethyl Alcohol Plant Project."

The sequence of correspondence sent by MIPLAN and finance to the Accounts Court in order to obtain approval of these instructions is as follows:

- a. Submission of instructions by the ministry of finance (memorandum no 92, dated 14 October 1982) for approval and signature by the Accounts Court of El Salvador.

- b. Instructions were received by the Accounts Court on 19 October 1982.
- c. Submission of a letter from the ministry of planning (DEO no 129/82, dated 4 November 1982), requesting the president of the Accounts Court to hasten the approval proceedings for instructions no 1184, in order to avoid delays in the project execution.
- d. Submission of a letter from the ministry of planning (no DEO-PPA-46/83, dated 25 April 1983) repeating its request to approve instructions no 1184, and pointing out the delay that this situation has caused.

To date, no response has been officially received to the correspondence listed above.

Untrue statements concerning this matter have been reported to the ministry of planning.

#### Accounts-Court President's Concerns

San Salvador EL MUNDO in Spanish 6 May 83 p 14

[Text] "Within a system based on law as we havenow, it would not have been possible to make a purchase such as was made of the ethyl alcohol or gasohol distillery, but as that was a de facto government, everything was done at top speed," said the president of the Accounts Court, giving his technical opinion on the "gasohol" case, while speaking to the economic and agriculture committee of the Constituent Assembly.

Under the present regime, explained Dr Jose Francisco Guerrero, the deputies would have realized that for a business deal of this nature it was appropriate to conduct a public bid and not do everything hastily.

He explained that it seemed strange to him that this purchase, for which El Salvador pledged to pay \$26 million, which was then revised upward, raising the cost to \$29 million, should have begun the negotiating process on 25 February and been ready on 26 February.

In addition, added the Court president, there was an attempt to arrange everything before President Magana took office.

One of the criticisms made of this purchase, he said, is that there was no public bidding and in order to remedy this situation, the Junta, which held all powers, both legislative and executive, introduced an article in the decree establishing the contract.

Dr Guerrero, in response to questions from the deputies, said that the land where the plant is being built belongs to the ISTA [Salvadoran Institute of Agrarian Transformation] at Hacienda Los Lagartos in the jurisdiction of Armenia. This is illegal, according to the law on the ISTA.

The Accounts Court president said that his report was highly technical and that at no time was he stating his opinion in opposition to the project, but that he was simply pointing out some strange features, such as avoiding bidding, and raising the purchase price from 26,525,000 to 29,762,499.70, without changing the original decree and the supply contract approved by the Accounts Court.

A number of deputies have expressed an interest in learning more about the project. Among them is Felix Canizalez, who said that the serious thing about this purchase is that, in the first place, the feasibility study was done by technical staff from the ministry of planning after traveling to Brazil, and that in the end, it was based on a study by the Central American Industrial Research Institute, which has nothing at all to do with matters in our country.

The staff members accompanying the Court president explained that their institution did not oppose the project. The proof of this statement is that the Court approved the contract.

It was also stated that the Court would be able to investigate whether or not the equipment and project actually have the value that was paid for them.

The deputies who are members of the economic committee said that they will continue their in-depth investigations of this case, which is scandalous, given its economic implications for the nation, and some other allegations concerning the project.

7679

CSO: 3248/803

## VALUE OF FOOD IMPORTS DOWN, BUT UP FOR IMPORTS OVERALL

St Georges FREE WEST INDIAN in English 14 May 83 p 6

[Text]

FOOD imports fell from \$4.3 million in January this year to \$2.8 million in February, although total imports rose.

The total value of imports in February was \$11.2 million, or 4.6 per cent above January, when imports totalled \$10.7 million. This is also a 9.2 per cent rise over February 1982, when imports were valued at \$10.3 million.

Food imports dropped mainly because no bulk items, such as sugar and powdered milk, which accounted for over \$1.3 million of January's food imports, were imported.

There was a significant rise of 14.6 per cent in mineral, fuels and lubricant imports over January. Over \$1 million worth of diesel fuel was imported in February as compared with \$440,000 worth in January. No gasoline was imported in January but \$800,000 worth was imported in February.

The importation of semi-finished women's clothing, valued at over \$440,000, caused a 4.4 per cent in-

crease in manufactured articles over January.

Domestic exports for February, valued at \$2.2 million, show a \$1.6 million drop below January, when exports were valued at \$3.8 million.

No cocoa was exported in February, but the other traditional export crops, such as banana, nutmegs and mace accounted for 38 per cent of the total domestic exports, with fresh fruits and clothing accounting for 34 per cent and 22 per cent respectively.

Over 60 per cent of the domestic exports went to the Caribbean Community (Caricom) countries, with 23 per cent going to the United Kingdom.

Re-exports for February totalled \$84,100.

The total imports in January showed a 24.7 per cent drop below December when imports totalled \$14.2 million. This also represents a 19.8 per cent drop below January 1982, when imports valued \$13.4 million.

There were increases in food imports mainly due to



the importation of over \$1 million worth of raw sugar from Cuba, and \$338,000 worth of powdered milk from France, both accounting for 35 per cent of the food imports.

The importation of 2,000 tons of cement valued at over \$400,000 and \$200,000 worth of cardboard boxes also caused increases. There was a decrease in the importation of fuels and lubricants for January as compared with last December.

Domestic exports, valued \$3.8 million, showed a 23.6 per cent rise over \$3.1 million last December, but a drop of 29.2 per cent below January 1982 when exports totalled \$5.5 million.

Bananas accounted for 31 per cent, clothing 25 per cent, and cocoa and fresh fruit 17 per cent each of the total domestic exports. No nutmegs and mace were recorded for the month.

Some 50 per cent of the domestic exports went to Caricom, with Trinidad accounting for 44 per cent, while 46 per cent went to the United Kingdom and four per cent to the East European countries.

Re-exports totalled \$22,400 for January.

## BRIEFS

COMPLAINT OVER LACK OF TV--The Editor: It has been about two months and more since most of the people of St. George's have been able to see Television Free Grenada (TFG). At first TFG said something, but now that the people are not saying anything, they too have not said a word. Imagine living in a capital town and not being able to see television. Children coming from school in the evening can't even see Seseame Street. The workers of TFG must realise that television is sometimes a child's only recreation. It one thing to be able to see with bad reception, but quite another thing not being able to see anything at all. Our TV sets are now white elephants. I think it is time TFG's management did something to remedy this frustrating situation. Tell us definitely what to do, and not have us wondering whether we'll ever see a TV programme again. How can we be moving forward, and not be able to see TV at least for a day. It's ridiculous. Something ought to be said or done at once, TFG. Concerned Student Lucas Street St. George's [Letter to the Editor] [Basse-terre THE LABOUR SPOKESMAN in English 4 May 83 p 1]

CSO: 3298/648

## TAX REFORM PACKAGE STRONGLY CRITICIZED

PA111733 Guatemala City Cadena de Emisoras Unidas in Spanish 1130 GMT  
11 Jun 83

[Station Editorial: "Who Would Have Thought That the VAT Would Cause Such an Uproar?"]

[Text] More than likely, those who conceived the creature never imagined that the value-added tax [VAT] would cause such an uproar, leading to the accomplishment of a miracle: the unification of the majority of Guatemalans. This dream that makes statesmen, leaders, politicos [politicologos] politicians, political maneuverers, and petty politicians stay awake has become a reality with the VAT. With very few exceptions, all Guatemalans [chapines] seem to be solidly united in categorically rejecting the unfortunate tax package which includes the VAT.

The State Council, private enterprise, the bar association, the assembly of presidents of professional associations, the media, and in sum, all those representing the most legitimate and broad expressions of public opinion have rejected the package. This is because--in addition to technical, legal, and administrative errors--the project so carefully cooked up on the top floors of the finance building, is being imposed at the wrong time; it is being imposed when the economic crisis is severely affecting the country.

Additionally, a tax reform plan of such major importance--as this one has been correctly described--should only be implemented by a legally established government, after in-depth analysis and debate at fully legitimate institutions.

The current de facto regime--and this is one of its capital sins--apparently wants to forget its transitory status, its role as simple temporary tenant. It is trying to go ahead with structural repairs to a badly damaged house, a decision that should be made by the legitimate owner: the sovereign people of Guatemala, through capable, legally elected representatives.

If the regime stubbornly insists in insisting on its tribute against all odds, we can only say, as our grandmothers did in the past: Good luck to them.

CSO: 3248/900

## MANLEY PROMISES PNP WILL BE MORE VOCAL, FORCEFUL

Kingston THE DAILY GLEANER in English 26 May 83 p 13

[Text] Gleaner Western Bureau--Opposition Leader Michale Manley said on Saturday that the People's National party was gaining momentum and would be more forceful and vocal in the future.

Mr. Manley said that for the last two years the party had been silent but that this was soon to change. The silence, he explained, was deliberate and was to allow the Jamaican people to find out the mistake he said, they had made, when they elected the JLP government to office.

Speaking at the Trelawny parish fund-raising dinner at William Knibb Memorial High School, Mr. Manley said he would never sabotage the Government's programme of recovery as he wanted the Government to fall on its own, lest it be said that it was his fault. He stated that the Government's economic policy could not work and on its failure, scales would fall from the eyes of the people once and for all.

He said he was happy to note that the Commissioner of Police had ordered an investigation into the killing of six men in Westmoreland by the police.

The PNP's call for an investigation, he said, resulted from the party's renewed dedication to be more involved in monitoring the affairs of the nation and to have a louder voice in influencing public opinion.

The dinner which was

attended by hundreds of party supporters raised \$1,114 in contributions.

Also attending were party executives: Miss Portia Simpson, Dr. Paul Robertson and officials from local and national levels. Retired veteran parish group chairman, Mr Selvin Linton, was honoured for his 45 of service to the party.

Seventy-eight-year-old Mr. Linton, was hailed as being one of the pioneers in the formation of PNP parish groups and a former union delegate for the TUC.

In presenting Mr. Linton with a gift of appreciation on behalf of the party, PNP President Michael Manley congratulated the veteran for his achievement noting that he (Mr Linton) had championed the cause for representation and organization of his people at the local level.

## GOVERNMENT FORCES RESIGNATION OF BROADCASTING DIRECTORS

Kingston THE DAILY GLEANER in English 26 May 83 pp 1, 17

[Text]

**A**T THE REQUEST of the Minister of Tourism and Information, the Hon, Anthony Abrahams, the entire Board of Directors of the Jamaica Broadcasting Corporation (JBC) has resigned.

The resignation of the Board came yesterday following a request by the Minister that the Board resign "in the best interest of the Corporation's future".

The letter requesting the resignation of the Board of the state-owned broadcasting station came shortly after a meeting on Tuesday evening when the Board decided by a majority not to uphold the appointment of Miss Hillary Lannaman to the permanent staff, but to await the report of a sub-committee which had been set up to investigate complaints made about Miss Lannaman, who had been employed to the station as a free-lancer.

Miss Lannaman is the daughter of the recently-appointed General Manager, Mrs. Gloria Lannaman.

However, in a statement to the media yesterday, Mr. Abrahams said that the dismissal was not a result of the Board's decision. Rather, Mr. Abrahams said, he had requested the resignations, "as a result of what I consider to be the incessant, prolonged, interminate, personality conflict which exists among too great a proportion of the members of the Board".

In a letter to Mr. Abrahams yesterday, Mr. Frank Phipps, who had been Chairman of the 10-man Board, said: "There has never been any differences between the Board and yourself about the Jamaica Broadcasting Corporation. I must therefore assume that it is because

of the Board's refusal to 'rubber stamp' certain appointments why you have requested the resignation of all members of the Board".

Mr. Phipps described the timing of the request for the resignation of the board members as "significant".

Mr. Phipps, in a statement to the Gleaner, said that the Board had not been having any problems with the Minister save recently and that over the matter of staffing.

"The Board was determined not to have either appointments to, or dismissals from, the staff made on a political basis. We were willing to stand or fall by that principle. Obviously we have fallen," Mr. Phipps said.

Mr. Abrahams said in a news release yesterday that Mr. Phipps was "free to assume what he wished" with regard to the Minister's action.

Members of the Board who took part in Tuesday's meeting were Mr. Phipps, Mr. George Abrahams, Mr. Christopher Bovell, Miss Olivia Grange, Mrs. Cecile Lennon, Dr. Don Wilson, Mrs. Joyce Robinson, and Mr. Ulric Simmonds, Consultant on Information and Media Policy.

Two other members of the Board



did not attend the meeting. They were Mr. Kenneth LaCruise and Mr. Pat Chin.

The *Gleaner* understands that Miss Lannaman had been offered an appointment on the staff prior to the report of the sub-committee. Miss Lannaman is said to be in charge of TV news.

**THE APPOINTMENT** of Mrs. Lannaman as General Manager of the station took place one day after the appointment of her daughter. Her appointment was made at a specially-convened Board meeting.

Mr. David Mais, who was then a member of the Board, resigned at the time in opposition to the appointment of Mrs. Lannaman. Mr. Simmonds replaced him.

Before this appointment, Mr. Tino Borovier, a long-standing senior member of the JBC staff, had acted as General Manager (since August last year) following the resignation of the then General Manager, Dr. Joyce Robinson.

Mrs. Lannaman had previously served the JBC as Director of News and Public Affairs and was most recently Government media consultant.

The matter of the appointment of Miss Hillary Lannaman came up at Tuesday evening's Board meeting when the Board refused by a majority to sanction her appointment. It was decided instead to await the sub-committee's report.

In giving the background to the dismissal of the Board, the Minister said in the release that he has been having discussions for months now with the Board Chairman about "time-wasting in discussing matters that arose out of personality conflicts". He said also that Mr. Phipps had objected to the presence of a former General Manager, Mrs. Joyce Robinson, on the Board.

Mr. Abrahams said he had told Mr. Phipps that "that particular source of conflict is but one of a number of others which add up in effect to a Board out of control and unable, despite the determination of some members of the Board, to devote sufficient time to matters of substance and of immediate importance to the development of the corporation".

The decision to ask the Board to resign, the Minister said, arose because it had become evident that "the personality conflicts would not end". The statement said that the Minister intended to appoint a "successor Board" which he hoped would be free of conflicting personality interests and thus be better able to address itself to "the economic and human resources development" of the corporation.

Reports in media circles for several months now have spoken of "in-house" conflicts at the JBC. Some of these conflicts reportedly involved senior members of staff who were said to be dissatisfied with several aspects of the management of the station and especially of the news room.

### PNP RESPONSE:

The Opposition PNP has called for the removal of the responsibility for information from the portfolio of Mr. Anthony Abrahams and for an enquiry into the JBC following the dismissal of the JBC board.

In reacting yesterday to Tuesday's dismissal of the JBC board, the People's National Party (PNP) said it viewed developments at the JBC with "considerable concern."

The PNP statement over the signature of Mr. Paul Robertson, General Secretary, said that the Minister's action led to a conclusion that he has clearly political motives in his appointment policies at the Jamaica Broadcasting Corporation. It further describes the dismissal of the board by the Minister as an attempt to continue nepotism in the Corporation which it said has been alleged by reports.

The PNP said that if the Minister's action stems from the facts as outlined by Mr. Phipps, the party "can only conclude that the Minister of Information is guilty of gross interference in the operations of a statutory body."

It also said, "The People's National Party is of the firm view that the Jamaica Broadcasting Corporation is once again being used by a JLP Government to provide employment for political adherents who have no skill for holding the posts to which they are appointed".

**\$14 MILLION SPENT ON AIRPORT IMPROVEMENTS IN PAST 3 YEARS**

Kingston THE DAILY GLEANER in English 26 May 83 p 1

[Text] GLEANER WESTERN BUREAU--Over the past three years, the Government has spent \$14.1 million on capital work in its Airport Development Programme at the Sangster's and Norman Manley International Airports.

Speaking in Montego Bay yesterday, the Minister of State for Public Utilities and Transport, the Hon. E. K. Powell, said the work included extension of terminal buildings, upgrading of electricity and the provision of fire and rescue equipment services.

Mr. Powell was delivering the keynote address to mark the opening ceremony of the First Airport Operators Council International Regional Conference to be held in Jamaica. The conference which ends tomorrow is being held at the Rose Hall Beach Hotel and has attracted over 50 delegates representing various airports in the Latin American region.

Emphasising the Government's commitment to the development of the island's international airports, Mr. Powell said that the recurrent cost of both airports had increased in the last three years from \$11.7 million in 1980 to \$14.8 million in 1982. The recurrent cost for 1983, he added, was projected to be in the region of \$16.8 million.

The Government, Mr. Powell noted, had a vested interest in the effective and efficient operations of the country's international airports. This, he said, was of great importance as the efficient handling of passengers and cargos enhanced the development of tourism and export which were the main bases on which economic recovery rested.

It was incumbent on the Ministry of Transport to ensure efficiency and it was against such background that the Ministry insisted that the Airport Authority maintained standards in keeping with the requirements of the International Civil Aviation Department.

Mr. Raymond Glumack, President of Airport Operators Council International (AOCI), in responding to the Minister, lauded the Jamaican Government for the work done at the international airports. There was no doubt, he said, that Jamaica's international airports were among the leaders in the region.

In a brief outline of the objectives of the conference, Mr. Glumack said that AOCI represented over 800 airports throughout the free world, working towards developments in all areas of airport operations.

The opening ceremony was highlighted with short presentations from delegates representing airports in the region.

CSO: 3298/649

## BRIEFS

**BANANA LOAN GUARANTEE REQUEST**--The House of Representative is being asked to approve the guarantee of the payment of interest and the repayment of principal of a \$5,000,000 loan from the National Commercial Bank to the Eastern Banana Estates Limited. According to Ministry Paper No. 18, emanating from the Minister of Finance and Planning and laid in the House last week Wednesday, the purpose of the loan is for financing part of the cost of a project for establishing banana plantation and banana processing facilities on 2,050 acres of land in St. Thomas. The loan will be repaid over a 12-year period with a five year moratorium. Interest will be at one per cent per annum above the prime lending rate. [Kingston THE DAILY GLEANER in English 26 May 83 p 6]

**SEIZURE OF WEAPONS**--Two firearms, one a M 16 rifle, and the other a homemade shotgun, were seized by police in raids in Kingston and Clarendon on Friday. Police Information Centre (PIC) said the M 16 rifle and 40 rounds were seized on premises along Myers Street in Jones Town, Kingston, about 9 a.m. A man was arrested and charged in connection with the gun and ammunition. PIC said his name was being withheld pending further investigations, as he is to face identification parades in connection with recent crimes. [Kingston THE DAILY GLEANER in English 26 May 83 p 6]

**CUSTOMS CONTAINER EXAMINATION PROJECT**--Government's decision to establish a Container Examination Station to enable customs officers to examine in-coming containers, was taken a step further on Wednesday with the signing of a contract to build the station at Newport West, Kingston. Overall cost of the Examination Station is \$5.6 million, \$3.4 million of which is the cost of the contract, signed by the Minister of State for Construction, Hon. Robert Marsh, and representatives of Marley and Plant, the contractors, at the Works Division of the Works Division of the Ministry, 140 Maxfield Avenue. The remainder of the overall cost, \$2.2 million, will be spent by the Works Division of the Ministry to do surcharging, pave the site, procure the structural steel frame, erect a guard house and pay consultants' fees. The structure will be established at 14th Street and 1st Avenue at Newport West, and will include a single storey warehouse and offices in the main building and a two-storey building with a total floor area of 23,600 square feet, a JIS release said. There will be a single storey welfare block of 3,600 square feet to accommodate 150 to 200 workers. The guard house will be designed strictly as a security building to facilitate examination of trailers entering or leaving the examination compound with offices for customs and security personnel. [Excerpt] [Kingston THE DAILY GLEANER in English 27 May 83 p 2]

CSO: 3298/649

CONFERENCE STRESSES CHURCH'S APOLITICAL WORK FOR PEACE

Archbishop Condemns Political Affiliation

Mexico City EXCELSIOR in Spanish 21 May 83 pp 1, 19

[Article by Armando Sepulveda]

[Text] Apizaco, Tlaxcala, 20 May--The Church condemns any alliance between Church dignitaries and right- or leftwing extremist groups and disapproves of being drawn into political gatherings such as the one between leaders of the National Action Party of Sonora and American diplomats, which the archbishop of Hermosillo, Carlos Quintero Arce, attended "as a guest," the secretary general of the Mexican Episcopate, Monsignor Genaro Alamilla, said today.

The Church should be involved in politics for the common good but never in partisan politics, he stated, stressing that the Church seeks spiritual, not economic or political power.

He clarified that the meeting in Sonora ("whether it was premeditated I do not know") does not reflect the sense of the Church and "has nothing to do" with it.

When asked at a press conference about the statements by the Revolutionary Workers Party that the Second Latin American Missionary Congress (COMLA), which is being held here, is a sort of Ku Klux Klan gathering, Monsignor Alamilla responded: "I will politely not tell them what they are."

He also stated that the Church is affected by political factors, inasmuch as regimes "with a pink hue and bashful Marxists become annoyed when the oppression of ideologies, not just of arms is denounced."

Alamilla scored totalitarian governments, whether on the Left or on the Right, because they hamper the Church's work. As far as the Church is concerned, the ideal government is a democratic one.

The secretary general of the Mexican Episcopate said that the Church hierarchy does not cower in the face of oppressive laws and regulations; on the contrary, it is encouraged to continue its work.



He pointed out that Pope John Paul II's message to Haiti was not reported in that country's mass media because President Duvalier forbade it, while in Nicaragua the Sandinist Government placed conditions on the press for publicizing it.

In his talk with newsmen after the session of the Second Latin American Missionary Congress, Monsignor Alamilla said that the Church does not want couples to have more children than they ought to. It supports responsible parenthood through natural methods, he added.

Addressing the issue of abortion and the millions of human beings, most of them children, who die of hunger each year, the secretary general of the Mexican Episcopate stressed that the Church "will never accept murder," not even if starvation is involved.

The archbishop of Bolivia, Luis Rodriguez, asserted that "even if they kill us, we Church officials are not going to keep quiet; we will continue denouncing injustices and human rights violations in the countries in which they occur."

He acknowledged that military regimes have caused more harm than good to their citizens with "their policy of ignoring and trampling human dignity."

Monsignor Jesus Irigoyen, a missionary, reported that the Church allocates \$81 million a year to its missions, "but this does not mean that the it is a millionaire."

#### Officials Cite Problems

Mexico City UNOMASUNO in Spanish 20 May 83 p 3

[Article by Enrique Garay]

[Text] Apizaco, Tlaxcala, 19 May--Cardinal Luis Aponte, the pope's representative to the Second Latin American Missionary Congress being held in this city, voiced criticism aimed at both the guerrillas and the military regimes in Central America.

"Rather than guerrillas, Central America needs architects of peace," the papal envoy told the congress. For his part, Bishop Quarracino of Argentina, the president of the Latin American Bishops Conference (CELAM), asserted that the Church will never be in favor of outbreaks of violence to quell people's discontent, stressing that "the Church cannot and must not commit itself to ideologies of any nature, because they adulterate its mission."

In an interview, the bishop of Tabasco, Rafael Garcia Gonzalez, stated that in southeast Mexico "the conditions exist for an outbreak of violence; we are within an inch of the powderkeg." The bishop contended that the Church "supports the people in their discontent over social inequalities" in that region, cautioning that it is wrong to set peasant farmers at odds with PEMEX, the state oil company.

Garcia Conzalez proposed seeking common ground between the peasant farmers and the oil workers, "as was achieved in the Ribereno Pact." He noted then that after years of protest and neglect attention has finally been called to the inequalities prompted by oil development.

The Vatican's representative to the congress, Luis Aponte, stated during an interview between sessions, that the Church condemns abortion "wherever it exists, whether in Latin America or Central America."

He emphasized that abortion "is a crime and is bad from any standpoint," adding that divorce causes the breakdown of families and noting that on our continent this situation is aggravated by poverty. "We do not have abundance," he pointed out, and thus "we see that families are paying for the shifts from the rural to the urban areas."

Meanwhile, Bishop Quarracino acknowledged that the clergy in Nicaragua is divided over its stand towards the Sandinist Government, adding: "We will have to see who's right."

Quarracino referred to the conflict-ridden situation in Central America as a powderkeg that could be ignited by any spark. Political organizations on the Left and Right, he said, as well as economic forces have endeavored to use the Church's prestige for their own ends, but when they were rejected, they have persecuted, silenced and, on occasion, vandalized the Church.

Peruvian Bishop Felipe Salva asserted that the biggest problem facing the Church on the continent is the ratio between its pastoral representatives and the populace, on the one hand, and the exploitation of the most isolated communities, on the other.

Several political parties, furthermore, protested today over the approach that the missionary congress is taking, and some even objected to the fact that it was being held in the city of Tlaxcala, some 100 kilometers from the capital.

"This is a conclave between the Mexican Ku Klux Klan and its Latin American friends," said Pedro Penaloza, a leader of the Revolutionary Workers Party. Alfonso Garzon, from the CCI [Independent Peasants Central Organization], expressed the view that the Church is only trying to demonstrate its strength by holding this sort of congress, so that it can have a say in politics, which violates Article 28 of the constitution.

Rafael Garcia Gonzalez, the prelate from Tabasco, stressed during an interview with this paper that the country has to prevent confrontations prompted by our oil wealth, because otherwise the nation's abundance will cause damage.

With regard to the situation in his state, he pointed out that certain towns, such as Chapultenango, are, in fact, receiving aid now, but "because there is oil there," whereas other towns are being neglected, and this "could have its consequences."

In this regard, he stressed that this creates troublesome social conditions and that "it would not be desirable to have a social upheaval" in Mexico, the bastion of freedom in Latin America.

In conclusion, the bishop of Tapachula, Juvenal Porcayo, noted that there are 30,000 Guatemalan refugees in the state of Chiapas who have nowhere to live and that the Church set up an episcopal commission to help resolve this problem. This commission, he said, "is looking into the cases to verify that they are not guerrillas, after which we accept and place them."

#### Chiapas Given Special Attention

Mexico City NOVEDADES in Spanish 20 May 83 p 7

[Article by Sergio Martinez]

[Text] Apizaco, Tlaxcala, 19 May--We Mexicans should stop pitting our people against each other, mainly in the southeastern part of the country (oil workers and peasant farmers), because we all know that if trouble does filter into Mexico, it will be through the Guatemalan border, given the prevailing conditions in Central America.

Thus, it is urgently necessary for the government and its citizens to seek out common ground that will help to resolve the grave problems besetting us, but mainly so that together they can monitor the southeastern section of the country, which is where our future is being forged and through which the wave of violence caused by social inequality and injustice could filter in.

The above remarks were made at a press conference here today by the bishop of Tabasco, Rafael Garcia Gonzalez, who along with 200 bishops, archbishops and cardinals and more than 8,000 priests, nuns and laypersons, is attending the Second Latin American Missionary Congress, which has been going on for the past 4 days in this state.

Monsignor Garcia Gonzalez said that the situation in Chiapas and elsewhere along the southern border is the consequence of years of neglect and that attention is now being called to the problems there because of the oil development, because we know that the black gold has created many varied interests.

#### Attracting Attention

Oil has thus been able to attract the attention of many people, as President Miguel de la Madrid saw for himself a short while back on

his swing through Chiapas. It became quite clear that this area needs special attention because it is "within an inch of the Central American powderkeg," and these problems are going to have their consequences.

The prelate reiterated that oil arouses the envy of powerful countries; hence, solutions to prevent confrontations must be sought as soon as possible because otherwise our oil wealth could bring serious harm to Mexicans.

#### Guatemalan Refugees

The bishop of Tapachula, Juvenal Percayo, reported that more than 30,000 Guatemalan immigrants have nowhere to live, which is causing serious problems along the border. He went on to say that the Church has formed a episcopal aid commission to aid the Guatemalans entering Chiapas; it is in charge of checking out these individuals and confirming that they are not guerrillas.

In this regard he recalled that the papal envoy to the congress, Cardinal Luis Aponte, had said that "the Church is struggling to have architects of peace rather than guerrillas."

8743

CSO: 3248/852

## CT DISILLUSIONED BY GOVERNMENT'S RESPONSE TO DEMANDS

Mexico City PROCESO in Spanish 23 May 83 pp 30-31

[Article by Salvador Corro]

[Text] The Labor Congress (CT), which represents the official labor movement, is laboriously adjusting its machinery to regain the ground it has lost vis-a-vis the government and, at the same time, to pressure private business to boost wages.

Fidel Velazquez, an expert on the political groundrules, is in charge of guiding the actions and making the necessary adjustments to achieve these two objectives: his survival and preventing the system from undergoing more severe social conflict.

To change so that everything will remain the same. The Labor Congress is today putting into practice what it had rejected a few months ago. The possibility of a general strike grows if the strikes scheduled for this coming 30 May are staged. As of last week, close to 5,000 firms had already been threatened.

The proposal of a strike call had initially divided the CT. On Monday the 16th, however, after the leaders clarified their positions and delegated responsibilities, the union federation backed the strike call by a vote of 34 in favor and 1 abstention (CROC [Revolutionary Confederation of Workers and Peasants]).

In spite of the assertions by labor leaders and by the secretary of labor himself that relations between the government and the workers were neither distant nor cool, the difference in approaches to dealing with the crisis became even more evident.

In fact, at the most recent closed-door meeting of CT leaders on Monday the 16th, most of the views were critical of the administration's economic policy.

For example, Fidel Velazquez said: "It is our ambition to maintain unity and solidarity among our organizations in the CT and to do whatever we can to keep it in the forefront of the workers' struggles. We are in no way trying to hurt anyone with our position. Unfortunately, there have so far been no indications that the problems we have raised will be resolved."



And he was even more realistic: "We know that this (the strike call) presents risks and difficulties, but we cannot run away from the problems that we are faced with, and our duty is to defend the working class."

Angel Olivo Solis, from the Revolutionary Labor Confederation (COR), said: "We are struggling against hunger among the people and against the markedly capitalist development model."

Arturo Whaley, a leader of the Sole Trade Union of Nuclear Industry Workers (SUTIN), stated that "it is impossible for government leaders or labor organizations to simply will an end to price rises. The failure of the economic reorganization demands that the proposals of the 1978 CT assembly be reconsidered."

Mario Suarez, from the CRT [Revolutionary Confederation of Workers], added that the government is the only body that has the legal tools to prevent prices from rising. "And we all know that the Secretariat of Commerce has unilaterally altered the prices of staple goods."

Manuel Fernandez Flores, a leader of the Mexican Trade Union of Electricians (SME), had harsher words: "The course that the people in charge of the country's economic policy have charted has led only to layoffs and inflation. They are applying measures that cause unemployment."

Napoleon Gomez Sada, the president of the Labor Congress, and Fidel Velazquez maintain that the labor movement is not rebelling against the government, clarifying that although labor is a friend of the administration, it is not a docile, unconditional supporter.

In their analysis of the economic situation they point out that "the government's efforts to right the economy have been inadequate." With specific regard to inflation, the price index is up more than 50 percent over the first 4 months of the year.

They have been saying this practically since January, when the government decided to boost the price of some mass consumption items, which was a pretext for an across-the-board increase.

What most disappointed and displeased the Labor Congress, however, was the government's indifference to its petitions. Fidel Velazquez stated that as of last Friday practically nothing had been done about the three basic demands submitted to the administration (a rent freeze, including a package of basic goods as a fringe benefit and a new minimum wage).

The only point on which some gains were made was the request for a new minimum wage. Nevertheless, Faustino Chena Perez, organized labor's representative on the Commission, feels that it acted slowly and deliberately so.

"It took as long as it could. We do not know whether it was because the government did not know in which direction to lean or because it had to consult with the International Monetary Fund on how to proceed."

Despite all this and despite the criticisms of government policy, Fidel Velazquez contends that "there is not and cannot be any estrangement from the government because we haven't demanded anything of it. On the contrary, by raising this problem with business, we have gotten the government out of any commitment in which it might have been involved. We know the condition that the government is in, which is very different from the condition business is in."

The meeting was once again put off on Friday the 20th, when the new minimum wages were supposed to be announced. Fidel Velazquez's explanation was that the parties decided to hold further sessions to avoid a hasty agreement.

A few hours before, President Miguel de la Madrid had briefly summarized the situation in the country. "It stands to reason," he said, "that in a free, democratic country there are differences of opinion as to the solutions for our problems. We must become accustomed to a broad, free and unrestricted dialogue to air these differences in good faith."

The chief executive optimistically stated: "The paralysis that threatened in December has not occurred over these 6 months. Though employment has not increased over the first half, it has not declined either. There have been personnel adjustments in some firms, but there has been a recovery in others, and according to union membership figures, employment has not declined since December; in fact, it is up one percent.

"Inflation is not increasing at last year's skyrocketing pace either, when in a few months we went from 30 to 100 percent inflation."

He also acknowledged that "accepting inflation means making social inequalities worse. Those who suffer the most from inflation are those that have the least."

Lastly, he pointed out that "although the struggle against inflation and to overcome the crisis requires economic measures, it also requires social psychology; it requires us to develop a climate of confidence..."

Fidel Velazquez's reply was to recall that the workers have shown restraint, and he cited the example of the contract revisions: after getting 37 percent last year, they are now accepting 27 percent. The demand for an emergency 50 percent boost is also moderate, because an increase of 300 percent would be needed to restore the buying power of wages.

The postponement of the meeting of the National Minimum Wage Commission practically rules out the possibility of an emergency increase. Last

January the employers had promised to grant a 12.5 percent boost in July. If it continues to operate as it has so far, the Commission could extend its sessions through June and agree on 12.5 percent in July.

No consideration has been given to labor's emphasis on setting the minimum wage before June.

In conclusion, the Labor Congress will meet this week to analyze the situation and continue negotiations with the companies in which strikes have been called.

8743

CSO: 3248/857

## OPPOSITION CONSIDERS HOUSING PROGRAM POSITIVE BUT INADEQUATE

Mexico City EL DIA METROPOLI in Spanish 8 May 83 p 3

[Article by Esperanza Juarez]

[Text] The National Action [PAN], Popular Socialist [PPS] and Mexican Democratic [PDM] Parties described the Immediate Action Housing program announced by the Secretariat of Urban Development and Ecology on Wednesday, 27 April, as positive, although inadequate.

The PAN deputy, Carlos Chavira Becerra, described the program as positive but inadequate for two reasons: The government does not have sufficient money to construct low-cost housing, and the population explosion is increasing with greater speed.

He said that it was necessary to pass laws on housing in order to motivate the owners of rented houses not to destroy the housing and put their money in the bank (because interests are lower than the rise in inflation), and to grant subsidies to the neglected classes that would enable them to build their own housing or to repair it.

Cuauhtemoc Amezcua, secretary general of the PPS in the Federal District, remarked that the program is "extremely precarious, modest and slight in scope, when compared to the magnitude of the requirements in Mexico City."

Amezcua noted that the program only calls for the construction of 60,000 dwellings, while the shortage is being suffered by 5 million inhabitants of the Federal District alone.

Amezcua said that this was the first step "in a rheumatism patient who has been inactive for a 6-year period," and hence its small scope. He cautioned that it was necessary to take the next steps more quickly, because the inflation rate in this branch of industry is very high.

He described both the program of SEDEURBE [Secretariat of Urban Development and Ecology] and that of DDF [Federal District Department] as constructive; because they show "at least an interest in the problem, which means progress in the solutions."

## Strike on Payments

The leader in the DF commented that PPS would continue its struggle for the passage of a tenants law, regardless of the government's programs. In this connection, the party is planning a national strike on payment of rent with a tentative date of 15 September, in the event that the law is not passed before that date.

He reported that members of PPS who belong to large unions are cooperating so that the strike of an indefinite nature will not be stopped until there is legislation passed on housing.

The payments will be deposited in some civil court, through banknotes purchased at NAFINSA [National Finance Bank, Inc], so that both the courts and the bank will operate by mutual agreement.

The possibilities of success for the strike lie in the number of persons who will start it simultaneously; because the only legal expedient to which the "landlords" can have recourse is the revision of contracts, which means long trials wherein the courts would be insufficient to deal with the complaints.

## Tenants Law: PDM

The spokesman for PDM, Jesus Zamora, for his part, said that the program announced by SEDEURBE would not solve the housing problem in the Federal District, because it has been neglected for many years; hence the great shortage that exists in the number of housing units requested.

He noted that it was a limited, restricted program in comparison with the million dwellings that are needed and the million which require repairs; in addition to the fact that we run the risk of fostering urban latifundism [large estates], because leaders always show up who make profits on the distribution of housing.

He said that it was necessary to increase the budget, although we know that it is impossible to ask for more since the government does not have it"; which makes the problem difficult.

The tenants law should be discussed as soon as possible in the Chamber of Deputies, and it should not be expected to be a supplement to the government programs, since they are very different things.

2909

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## SECOFIN LIFTS IMPORT RESTRICTIONS, ENCOURAGES EXPORTS

Mexico City EXCELSIOR in Spanish 9 May 83 p 1

[Article by Angel Soriano]

[Text] Yesterday, the Secretariat of Commerce and Industrial Development (SECOFIN) announced the almost total lifting of restrictions on temporary import permits and those for the exporting of goods (with the exception of those which might upset the production plant or the domestic supply of staple products), for the purpose of increasing exports, protecting employment and reorganizing the economy.

In announcing the first Total Package for Promotion of Exports, the department stated that business owners could import virtually all the raw materials and input necessary for manufacturing export items, with the elimination of the bond system and the maintenance of the refunds of taxes for such goods.

An effort will be made to gradually reduce the difference which exists between the free and controlled dollar, in order to make it attractive to the exporters. The supplementary regulations for control of exchange applicable to the use and transfer of hard currency generated by the exporting of goods will continue to be simplified, so that the exporting firms may more speedily utilize the hard currency that they generate.

In June, the chambers themselves and the business owning groups may issue the certificates of origin, something that will simplify the requirement of the preferences systems, a matter to be carried out with the backing of IMCE [Mexican Foreign Trade Institute].

The measures comprising the first package propose the simplification and speedup of administrative procedures, the change, reduction and exemption of tariffs on foreign trade, the establishment of regulations and mechanisms for barter transactions and compensation for payments made abroad, as well as financing programs and the single cashier's window at IMCE.

Prominent among the activities started is the elimination of the preliminary export permits for 294 tariff sectors (products with a value of \$17 billion, which in 1982 represented 94 percent of the exports); 25 sectors are exempted from tax payment and the latter are cut considerably for 21.

In addition, for 50 percent of the total agricultural-livestock exports, SARH [Secretariat of Agriculture and Water Resources] will simplify the export procedures, and will only request compliance with the requirements for plant health and sanitation and registration, in some instances, in the export planting programs for 296 tariff sectors.

For the exporting of food, beverages and pharmaceuticals (100,000 products, valued at \$900 million), the Health Secretariat will speed up its procedures and the permits which were previously granted in 15 days will now be given in 24 hours. SSA [Secretariat of Health and Assistance] will virtually confine itself only to overseeing psychotropic substances, drugs and blood by-products.

These measures ordered by the Federal Government, through SECOFIN, the Secretariats of Finance and Agriculture and Water Resources, SSA, IMCE, and Banks of Mexico and Foreign Commerce, are intended to solve the problems confronted by exporters through backing of a commercial, financial, fiscal, exchange, tariff, promotional and administrative nature.

An effort is thereby being made to make maximum use of the installed capacity which can generate products for export, preserve and foster employment, maintain and expand the operational level of the productive plant and procure the hard currency needed to make the essential imports and to contribute to the meeting of the financial commitments abroad.

The National Bank of Foreign Commerce and FOMEX [Fund for Promoting Manufactured Products] have authorized a credit program for this year amounting to 400 billion pesos for exports.

2909

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## AGRICULTURAL POLICY REFORM NEEDED, GUARANTEED PRICES UP

## Planning Key to Development

Mexico City NOVEDADES in Spanish 7 May 83 pp 1, 15

[Article by Alberto Serrano: "Plans Lacking in Agriculture"]

[Text] Top Leader of Small Land Owners Calls for Greater Exports

After saying that agriculture in Mexico has not been planned and that "the first steps are now being taken to do that," the president of the National Confederation of Small Land Holdings, Senator Javier Ahumada Padilla, demanded greater exports of Mexican agricultural products.

He maintained that it is wrong and absurd to argue that orienting the farmers to plant and produce what the nation needs for domestic consumption is desirable whereas selling abroad is not.

He said that planning the country's agricultural activities does not mean denying the system of freedom and that this has proved by the fact that the current administration is trying to make the farmer aware of the need to produce not whatever happens to be most profitable but what the nation and the people require.

This, he pointed out, is true agricultural planning.

## Planned Agriculture

In the interview with NOVEDADES, the leader of the small land owners throughout the country thought that the present administration will plan agriculture with a new mentality and he expressed the belief that, in this context, it will have to promote and develop the cultivation of agricultural products for exports; this used to be a taboo, almost a crime, and this is what can generate the foreign exchange the country needs.

He said that neither petroleum, nor tourism, but food production and farm product exports will help Mexico get out of this crisis.

He maintained that it has been proven technically and economically that foreign sales of vegetables produced on 5 hectares can make it possible to import the corn that would have to be produced on 200 hectares and there would still be a difference in dollars in favor of Mexico.

"Stepping up farm product exports," he said, "has been taboo but that has to be done away with because it has been harmful. Foreign sales of Mexican farm products, tomatoes, cantaloupes, watermelon, gherkins, eggplant, and another 70 varieties, could very nicely subsidize the purchase of all those cereals which the country needs to meet the domestic consumer demand and still to come up with a dollar surplus.

#### Agriculture and Animal Husbandry

Senator Ahumada Padilla, a farmer "at heart" for 27 years, when he switched from being a civil engineer to devote himself to activities in the rural areas, is also involved in animal husbandry.

Profoundly familiar with all secrets of agriculture, he proves to be rather cautious in talking about the probabilities that the goals of the 1983 National Agriculture and Forestry Program might be attained and said that everything depends on the country having a good rainfall year.

And he said that the small land holders throughout the country are aware that the attainment of these goals and the country's getting out of the crisis will to a great extent depend on their participation and their work.

He noted that all small farm owners are aware--"and the people as a whole should also be aware"--that the country will be able to overcome the difficult situation Mexico finds itself in neither with petroleum, nor with tourism, but through food production by the farmers--small landowners, common-land farmers, and joint landowners--and this is the way how to maintain social peace and restore economic balance.

During his talk, the legislator for Colima thought that it is necessary to take measures, both in technology and in finance, as well as in material terms, to make agriculture more productive, "especially all of the common land."

He was pleased by the implementation--through the Agrarian Reform Secretariat--of the National Law for the Regularization of Land Tenancy and said that the head of that department, engineer Luis Martinez Villicana, is determined to make sure that this will not be just another event but will turn into the final solution to that problem which has done so much to slow down the development of agricultural and livestock production and the rise of the living standard among rural inhabitants.

#### All Quiet in the Rural Areas

In the opinion of the small landholder organization's leader, the Mexican countryside is currently at peace and tranquil. He admitted that there are

problems of squatters moving into some small properties in some places, such as Sonora, Jalisco, Guanajuato, Michoacan, Chiapas, and others; but he said that these are problems which are being solved through the action of the state governments and the participation of the Agrarian Reform Secretariat.

On the other hand, he refused to go into the matter as to whether there are still big estates in the country and maintained, if there are any, the denunciations must be made in this respect by the authorities of the SRA [Agrarian Reform Secretariat] and the peasants who work the common land. There are no big land owners in the CNPP [National Confederation of Small Land Holdings] nor do we have any reason to protect them, he remarked.

He blamed some political parties, such as the PSUM [Unified Socialist Party of Mexico] and the PST [Socialist Workers Party], for being responsible for the squatter invasions that have taken place in recent months.

Later on, in elaborating on the agrarian reform process in Mexico, he said that the deviations that have occurred have been a factor that slowed down the development of agriculture and of animal husbandry likewise, as well as forestry operations.

He maintained that the agrarian reform process has not yet been completed in Mexico and that, although one must consider the land distribution phase to be closed, it is now necessary to assign greater importance to the second major phase, the phase of organization for production; it is also necessary to achieve the more efficient and more rational utilization of available resources.

#### Still 10 Billion in Debt

Senator Ahumada Padilla disclosed that the great challenge he faces as the organization's top leader is not to strengthen the political image but to turn it into a real instrument of organization for agricultural, livestock, and forestry production in the private sector that operates in the rural areas.

It is therefore necessary to pay attention to the great concern that exists among the small landowners whose respective compensations have not yet been paid out to them in return for the encumbrances to which they have been subjected.

According to the statics available to Senator Javier Ahumada Padilla, the debt owed the small landowners by way of indemnification for encumbrances--a debt which has not yet been repaid to them--comes to 10 billion. That sum includes billions of pesos which Mexican Petroleum owes the farmers and cattlemen in the State of Tabasco whose properties were damaged by petroleum operations.

The sum is big; but the CNPP has taken steps directly with President De la Madrid in an effort to see to it that this debt may be settled and that the small landowners, whose properties were impaired, may receive the corresponding indemnities.



## Basic Food Production Reduced

Mexico City EXCELSIOR in Spanish 9 May 83 pp 1, 8

[Article by A. Sepulveda I: "Capital Drain from Rural Areas Grows"]

[Text] It has been argued that cereals will not be planted without profitable prices. Small wheat harvests "due to government mistakes." Requests for incentives for basic food production.

Agriculture producers will replace cereal planting with profitable crops if the Agriculture and Livestock Office does not support them with fair guaranteed prices, the president of COAES (Confederation of Agricultural Organizations in the State of Sonora), Gaspar Zaragoza, said yesterday, pointing out that there has been a government policy of depriving basic food production of incentives for a number of years now.

Just a few hours after the federal government announced an increase in prices on farm products, the leader said that government mistakes concerning farming activities gradually caused a capital drain from that sector.

He reported that one of the consequences of those mistakes is the drop in wheat harvest; we are going to change from being exporters to being importers the moment the cultivation of that cereal crop ceases to be profitable.

Zaragoza said that dismay spread among the growers when they learned that the Agriculture and Livestock Office decided that the imminent rise in the price of corn--whose production for this cycle has already been turned over to CONASUPO [National Company for Basic Commodities]--will not be retroactive in spite of the offer to pay the difference.

The COAES asked for 17,600 pesos per ton of corn and more than 17,000 per ton of wheat on the basis of production costs. For the time being, both products are being sold at prices of 10,200 and 12,500 pesos, respectively.

He declared that the highly "mechanized" in the northwest is running into high expenditures in planting cereal crops but the farmers lack sufficient support to continue growing those crops.

He reported that, if the prices to be announced tomorrow by the Agriculture and Livestock Office are not in line with the fair demands of the farmers, they will take the matter to Agriculture and Water Power Resources Secretary Horacio Garcia Aguilar before deciding on any changes in planting.

He hinted that they might grow oil crops instead of basic crops. He added that the rural areas continue to suffer a capital drain in view of the scant support they get and that obviously leads to the drop in harvest.

He stressed that corn growers will suffer losses if they are not granted a retroactive price increase. The figure of 10,200 pesos per ton, which they get when they turn their output over, is not even enough to cover their costs, he pointed out.

#### Lower Grain Yields

Mexico City UNOMASUNO in Spanish 10 May 83 p 9

[Text] The uncertainty that caused the delay in the fixing of the new guaranteed prices, the lack of farm loans, and the drought that has hit the rainy areas, which report that their reservoirs show low water levels, are threatening cereal production in the country's main growing regions.

Sonora will produce 53 percent less corn than during the prior harvest cycle; growers blame that on "the uncertainty" which was caused by the postponement of the announcement of guaranteed prices. In the meantime, beans this year will cover a surface area of 17,000 hectares, a figure which implies an increase of approximately 50 percent, as reported by correspondents Fernando Cortes and Juan Meza.

Spokesmen at the regional office of Banrural [Rural Bank?] estimated that the delay in fixing the guaranteed prices can affect farm output in Sonora and has already delayed the repayment of loans; ANGSA [expansion unknown] in turn reported that it has not yet been able to reprogram its activities in the region for these same reasons.

In the meantime, Francisco Gastelum Salas, representative of the Coalition of Collective Common Lands of Yaqui and Mayo, argued that the price of corn is low while at the same time there are no well-defined and timely lines of credit for bean planting. Gaspar Zaragoza Iberry, president of the Confederation of Farmer Organizations of Sonora, in turn warned that his organization's members "will not deliver corn if the price is not fair" and he stressed that current prices "are causing a capital drain among growers."

In the meantime, Jesus Medrano, the SARH [Secretariat of Agriculture and Water Resources] delegate in Chihuahua, said that only 200 hectares in the Juarez Valley will be devoted to corn production and remarked that the guaranteed price now in effect is very low; this is why he believed that the authorization of the price of 18,000 pesos per ton, as requested by the farmers, is imminent. He commented that the scarcity of rainfall did not make it possible to plant much more of that cereal crop in this semidesert area and admitted that hundreds of farmers are abandoning this crop "because of its poor profitability," as reported by correspondent Carlos Vigueras.

More than 50 percent of the rainy-season agriculture activities in Tamaulipas are in danger as a result of the drought, admitted Efrain Garza, member of the board of directors of the League of Agriculture Communities in that region. He said that, in the northern zone, where the biggest surface areas of irrigated crops open for cultivation are located, the rice and sorghum fields are dry

due to the lack of water. He maintained that the hope of the growers to achieve the biggest harvest of recent times came to naught because of the shortage of rainfall and pointed out that, right now, even if it were to rain, half of the crops would be lost.

The CONASUPO delegate in Tamaulipas, Ciro Casanova, said that it is difficult to say what kind of production there will be since in less than a month the planted areas were damaged by the drought, although ANAGAS protected 600,000 hectares with a coverage of 10 million pesos. He pointed that 248,701 hectares of corn and 21,318 hectares of beans have been planted.

State Agriculture Development Secretary Rafael Sierra said that conditions for agriculture "are very serious" while the regional leader of the CNC [National Peasant Confederation] stated that, if there is no rainfall in the next 15 days, "there will be an agricultural disaster in this area," correspondent Raul Terrazas reported.

The Banrural de Occidente manager Luis Aragon noted that more than 75,000 hectares will not be planted this year in Jalisco, primarily in Los Altos, because the organization does not grant loans to areas considered "highly vulnerable to disaster." The leader of the agricultural program of SARH, Hector Mendoza, in turn pointed out that the organization will produce 600,000 tons of beans; but he said that the irrigated output will be very low due to the fact that the reservoirs did not catch enough water, as reported by correspondents Carlos Amaral and Cosme Collingnon.

The CCI [Independent Peasants Central Organization] leader in Zacatecas, Genaro Godina, stated that the situation in the rural areas of Zacatecas is so bad that 300,000 hectares will not be worked during this farming cycle due to the "uncertainty of the farmers regarding the new guaranteed prices and the lack of loans." He also said that there are 10 big estates in that zone which add up to a total area of 225,900 hectares, as reported by correspondent Filomeno Pineda.

In Morelos, Simon Hipolito reported that an output of 80,000 tons of corn and 3,600 tons of beans is expected in that part of the country and that safflower and sesame production will be started in the region while the production of sorghum, soybeans, and sunflower will be promoted there, according to SARH delegate Antimio Cruz.

Corn output in Puebla for 1983--"if weather conditions are good"--will be 1,240,000 tons and it is estimated that 40,000 tons of beans will be obtained, according to the SARH in the region. In the meantime, corn growers feel that the guaranteed price for that crop should be 20,000 pesos per ton, according to correspondent Luis O. Rodriguez.

In Veracruz, the SARH has programmed this spring and summer harvest at about 437,359 hectares of corn and 19,239 hectares of beans in irrigation districts located in Jalapa, Panuco, Tuxpan, Martinez de la Torre, Huatusco, Ciudad Aleman, and Coatzacoalcas. Agriculture Communities League leader Florencio Gallegos said that no corn might be planted during this cycle on at least

100,000 hectares of common land since Banrural demanded that the peasants pay at least 80 percent of their debts before getting new loans.

### Guaranteed Prices Raised

Mexico City UNOMASUNO in Spanish 10 May 83 pp 1, 9

[Article by Mario Garcia Sordo: "Average Increase is 85 Percent"]

[Text] The agriculture office yesterday announced the increases in guaranteed prices on 13 basic main products with a general average of 85.1 percent; this produced various reactions among leaders of peasant organizations throughout the land; most of them disagreed, with the exception of the National Peasant Confederation, because of the low levels of payments to agricultural producers; this, they indicated, is a serious obstacle to the attainment of the federal government's production goals.

In the opinion of Agriculture and Water Resources Secretary Horacio Garcia Aguilar, the new prices were issued on the basis of the idea of not aggravating the inflationary process and, on the other hand, to prevent a negative impact on the national economy plus "compensating the growers for the losses suffered due to the increase in production costs."

Commerce and Industrial Development Secretary Hector Hernandez Cervantes disclosed the new prices and increased percentages with relation to the payment of harvests for the 1982 farming year which are as follows:

Payment for each ton of corn was increased from 8,850 pesos to 16,000 pesos, in other words, 80.8 percent;

Wheat went up 102 percent, rising from 6,930 pesos to 14,000 pesos;

For beans, the increase was lower, coming to 39.8 percent, rising from 21,000 pesos to 29,500 pesos.

The price of rice also went up from 9,400 to 17,600 pesos, in other words, 72.9 percent.

Sorghum was one of the items that benefitted most since its price was increased 101.9 percent from 5,200 pesos to 10,500 per ton.

A price 80.9 percent higher than the preceding one was established for sesame with an increase from 20,900 pesos to 37,800.

Cottonseed obtained a price of 16,600 pesos per ton, in other words, 72.9 percent more than the year before, when it was 9,000 pesos.

Safflower went up on 50.7 percent with the price changing from 15,000 pesos to 22,600 per ton.

The price now paid for a ton of sunflower is 27,300 pesos, tantamount to an increase of 80.8 percent compared to the earlier price was 13,100 pesos.

Now, 1,000 kilograms of soybeans will cost 27,700 pesos, in contrast to the figure of 15,300 a year ago, indicating an increase of 81 percent.

Copra was one of the products with the smallest increase of only 67.3 percent, going up from 22,000 pesos to 36,800 per ton.

Malt barley went up 80.8 percent with the price rising from 8,850 to 16,000 pesos.

Fodder barley showed the highest increase with 180.3 percent, the price rising 3,300 pesos to 9,250.

The main increases in guaranteed prices are thus intended to stimulate the production of fodder barley, wheat and sorghum, while less favored agricultural products were beans, safflower and copra, in spite of the fact that the SARH chief asserted that "we are trying to give the growers an incentive to maintain a rising rhythm in basic food production for low-income use and raw materials for domestic industry, since we tried to make up for the increase in direct crop cultivation costs and at the same time include a reasonable incentive."

In an unadorned report, the official said that studies were conducted for the purpose of fixing guaranteed prices and the viewpoints of the agricultural producers, both in the province, as well as their national leaders, were taken into consideration. In the opinion of Agrarian Reform Secretary Luis Martinez Villicana--who was present during the official ceremony--this is the first time that this has happened and this constitutes progress in agricultural output planning.

Garcia Aguilar announced that prices would apply to the 1982-1983 autumn and winter harvest--which is why the above differentials will be paid--and to the early harvests of 1983, up to the month of September; he added: "These prices will also apply to products harvested as of next October for the 1983 spring-summer cycle and CONASUPO will at the proper time announce the month for the termination of reception and purchasing."

This idea runs counter to the demand of the CNC for a revision of guaranteed prices before and after the harvest and the demand for a sliding scale for guaranteed prices from independent peasant organizations, such as the Coalition of Collective Common Land Farmers of the Yaqui and Mayo valleys.

CNC leader Victor Cervera Pacheco however said that his organization "will carefully watch the inflationary process over the next several months in order to ask for a new revision if prices of equipment and agricultural machinery should vary too much and after consulting with the growers throughout the land."



He felt that it was "a step forward" that guaranteed prices were announced in a block "because in this way the farmers will be able to plant with greater tranquility during this cycle." But he warned that this must be supplemented with greater participation of peasants in the management of agribusiness establishments.

Alfonso Garzon Santibanez, leader of the CCI, indicated that the new guaranteed prices do not compensate the farmers for the production costs and that places the nation's rural areas in a difficult situation, to the point where his organization will contact all leaders urgently to take short-term measures.

In a similar manner, Javier Ahumada Padilla, president of the CNPP, pointed out that prices "are not what the agricultural producers had been expecting" but at least they do represent an increase compared to last year.

He announced that the CNPP "will carefully watch for the moment when inflation and equipment costs for agriculture cut into producer prices, thus rendering them inoperative; it will take the steps necessary to get them revised and to bring them up to date."

In this respect, Rafael Jacobo Garcia, organization secretary of the CIOAC (Independent Central Organization of Agricultural Workers and Peasants) said that the official farm price indexes do not cover the costs required to plant a hectare since the equipment cost goes up more than 100 percent; this therefore is a factor that discourages the growers.

"Those prices are below the levels expected by the peasants and that is a disincentive for the country's agricultural production; this is why harvests this year will be rather poor and we will continue to have to import food from abroad at much higher prices."

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## OPPOSITION UNDERLINES NEED FOR AGRICULTURAL REFORM

Mexico City UNOMASUNO in Spanish 14 May 83 pp 1, 7

[Article by Sara Overa]

[Text] Yesterday, leaders of five opposition political parties demanded that the government of the republic make decisions to reorient the agrarian policy, redistribute the divided land, make legal changes in a social direction, take away the multinationals' control over food production and strengthen the real producers with loans and backing.

While PAN [National Action Party] and PDM [Mexican Democratic Party] called for giving titles of ownership to all the land, the Socialist Workers Party [PST], the Popular Socialist Party [PPS] and the Workers Revolutionary Party [PRT] demanded a strengthening of the communal farms and the creation of agricultural cooperatives all over the country as the only solution for what they claimed might become a problem of undreamed-of proportions. PST, PAN, PDM and PRT also thought that the failure to solve the rural problem, besides exacerbating the food shortage, could be a factor for a social eruption; and they also said that the rural areas and their problems have been used with demagoguery and political self-interest.

All were agreed that a mistaken policy in the rural areas, the deviations in agrarian reform and bureaucratization have caused poverty, abandonment and lack of productivity.

Pedro Penaloza, from PRT, said that the current agricultural crisis was a clear indication of the deepseated crisis of capitalism in Mexico, and that the one in the rural areas is intensifying, and complicating the recovery of the economy as a whole.

The PRT diagnosis in this regard also notes that the stagnation of production relations in the food-producing sector has fostered a crisis in the internal types of reproduction of the farming economy, causing a radical change in its composition that has been shown in the transformation of seasonal emigration into a constant demand for labor directed toward the "modern" sector producing agricultural raw materials, directed toward the crowded urban areas, and toward the United States.

Concurrently, the abandonment of small farming land has brought on another transformation from the semi-farmer to the semi-proletarian, in a complete, stable proletarianization, which caused three social phenomena: agricultural unemployment,

internal migration and the migration of persons without papers. The person interviewed was of the opinion that the current crisis is so awful and "stark" that the farmers have suffered an intense impoverishment and great malnutrition.

PRT also thinks that the agrarian policies of the country's governments have been marked by serving as a complement to the large estates and the multinational companies; and for this reason it demands the total distribution of large estates, the reduction of private property in the rural areas to the average communal farm area, the abolishment of agrarian simulation and the elimination of the right to protection. It also demands legal reforms against the livestock raising large estate, and the strengthening of the communal farm as a fundamental economic unit.

Penaloza remarked that PRT is fighting for the recovery of the land and water, forests and communal lands, stating that the rural areas have actually been converted into a tool of demagoguery, used only to "fatten biographies." He thinks that it is possible to fight for an agrarian reform promoted by farmers and not by desk and office technocrats.

In another interview, Rafael Aguilar Talamantes, president of the Socialist Workers Party, declared that the deepseated, longstanding farming crisis in Mexico is now being compounded by a terrible drought, which is causing "starvation" in Mexico; while the attacks from white guards are increasing and the large estate system is on the rise. He considered the situation in the rural areas difficult, because for years the large estate holders have been driving the communal farmers from their land. He mentioned Guerrero, Oaxaca, Sinaloa and Sonora as critical areas, and warned that, in the northern mountains of Puebla, the violence which put many Pantepec families in mourning was about to be repeated.

The PST's national leader said that the problems cannot be reduced to technocratic diagnoses and statistics. He noted that there are 15 million hectares to be distributed, and that the Comptroller's Office should retrieve "millions of hectares" which are in the hands of public officials. He claimed that those 15 million hectares, "of the best quality," are in the hands of politicians.

He said that the PST's theory on the rural areas is to reconquer the land and its production for those who work it, calling for total elimination of large estates and the redistribution of the land as a complete solution; because, he said, land-holding is the fundamental problem in the rural areas, which prevents them from producing. He also called for the distribution of the irrigation districts, because, he claimed, there are 8 million landless farmers.

Talamantes declared that there are over 30,000 records "criminally" filed; and he said that middlemen, such as Jose Maria de Basagoiti, who controls tobacco production, invalidate the purposes of such firms as Tabamex.

Deputy Carlos Chavira, who is in charge of agrarian affairs for PAN, for his part, said that the agrarian problem has become a demagogic display, and has been used not for social or economic purposes, but solely for political purposes. He said that the distribution problem is ridiculous, when 55 percent of the land is without titles; which has led to the pulverizing and atomizing of the land.

He said that PAN upholds the need for all the land to have titles, so that loans may be procured. He claimed that it was ridiculous to divide the land according to area, because having hectares in the mountains is not the same as having them in an irrigated area. For this reason, he proposed that production units be given to the farmers, like the Soviet kolkhozes. He claimed that in Chihuahua alone there are 5 million hectares under litigation, and 365 unsettled records; and hence one cannot talk about full productivity. He stated that new types of property must be established, with a social and economic basis.

Lazaro Rubio Felix, from the PPS farming directorate, in turn, stated that his party is preparing some proposals for legal changes in the agrarian area that will make possible the elimination of large estates, an equitable distribution of land and water, and the turnover of an irrigation district which is now held by farmers who are associated with multinational firms.

Finally, Gumersindo Magana from the Mexican Democratic Party said that his organization maintains that the communal farm should be abolished, because its inoperativeness has been proven. He claimed that, up until now, the communal farm has been denied loans, input and training for production, without wells for irrigation and lacking in technology.

Furthermore, the farmers have been used like "cannon fodder," and they are often used as a display.

2909

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## AP SECRETARY GENERAL ON ECONOMIC CRISIS, TERRORISM

Lima EL OBSERVADOR in Spanish 22 May 83 Revista de la Semana Supplement pp IV-V

[Interview with Javier Alva Orlandini, Second Vice President of the Republic, by J. J. Vega Miranda: "Military Responsible for Subversion"; date and place not specified]

[Text] Javier Alva Orlandini, Second Vice President of the Republic, Senator and Secretary-General of Popular Action, is blaming the military government for the current situation of subversion in the country. He also maintains that the state must support industry because that sector could "collapse in a short time." Alva, however, believes that current economic policy is not neoliberal and is confident that the Peruvian economy can recover by the end of the year.

[Question] Dr Alva, whenever your opinion was asked concerning the government's economic policy, you stated that you had certain disagreements but you said that you agree with the model. What model are you talking about?

[Answer] The model which the government implements. This Popular Action administration is carrying out the policy designed under the Government Plan. The important thing is to solve the country's problems with pragmatism. Ulloa, in the past and, after that, Rodriguez Pastor pointed out that this does not involve a dogmatic policy but rather a pragmatic policy which is designed to produce solutions to the problems facing the country in accordance with Peru's needs and the development of the worldwide economic situation.

[Question] The same model which, after 3 years of implementation, only yielded failures on all levels. How can one then stick to a model that is failing? Is that not dogmatism?

[Answer] I would like to know in what country of Latin America, which faces problems similar to those of Peru, success was achieved in the implementation of political actions. We live in a world which faces a crisis that is unparalleled in history, at least in this century, and in spite of the efforts made in the form of various models for example in Chile, Argentina, Brazil, Venezuela, and Mexico--to mention just a few countries--the results that are being obtained are not encouraging. Because economic policy is a part of



general policy which is the science of reality. Let no one assume that miracles can be performed. So long as production does not go up, so long as we do not create more wealth, so long as we do not at least in a basic fashion industrialize the country so that it will not simply be an exporter of raw materials, so long will the situation lamentably continue to be difficult.

[Question] But, specifically, the countries that are implementing a policy that is more or less similar to that of Peru are the countries that are in a worse condition. You have the cases of Chile and Argentina in Latin America. On the other hand, do you not believe that you are contradicting yourself when you assert that Peru must stop being a raw-material exporting country and must industrialize, whereas current economic policy is seriously affecting industry and giving priority to primary exports?

[Answer] Evidently, there have been some economic measures which were adopted during the early years of this administration and which, through changes in customs tariffs, permitted the almost indiscriminate importing of products which are partly competitive with domestic production. That seriously harmed industry in Peru. But corrections have been made and other corrections will have to be made to the extent that circumstances so advise. The basic thing is to try to make sure that Peru's industry will improve and it is necessary to stimulate it with tax exemptions and with changes in customs tariffs.

[Question] Minister Rodriguez Pastor, however, stated that he is not going to yield an inch regarding customs tariffs and it seems that he is not going to yield either on exemptions because his policy is designed to try to increase treasury earnings. You, for example, have stated that you are in favor of indexing wages to the cost of living, freezing gasoline prices, providing full support for industry, promoting the overall refinancing of the debt, etc. All of these measures are in open conflict with the proposals made by Rodriguez Pastor. What do we agree on, Dr Alva?

[Answer] As for customs tariffs, I believe that the Central Bank has clarified the problem rather well. Customs tariffs have a double purpose: On the one hand, they are designed to earn revenues for the treasury. On the other hand, they are supposed to encourage domestic industry. I believe that this is the administration's policy and I am not familiar with any statement by Rodriguez Pastor to the contrary. From the budget viewpoint, obviously, the economy minister is very much interested in collecting the largest amount of revenues possible. Regarding economic policy, Minister Rodriguez Pastor has not maintained either that he will inexorably stick to some theories. Recent experiences demonstrate the exact opposite. Initially, he was against the idea of refinancing the foreign debt but, in keeping with the country's necessities, Minister Rodriguez Pastor will hold a meeting in June in the Paris Club to try to re-finance the payment of the foreign debt between February 1983 and February 1985.

[Question] Let us then say that reality defeated dogmatism here. There was no other possibility.

[Answer] There is no doubt that a correction was made. I believe that this policy is more pragmatic than dogmatic. Theories may advise one or the other solution but reality does not always agree with theories or viceversa.

[Question] This is the main problem of economic policy over the past 3 years. You yourself said that some officials in the Ministry of Economy are pursuing a somewhat extreme dogmatism.

[Answer] It seems to me that there are officials who have a rather bookish education. They are theoreticians. They are the graduates of a domestic university, but for the most part they have postgraduate studies at foreign universities which are not familiar with the country's situation and which confuse United States reality with Peruvian reality. Therefore, the mentality of those who got their theoretical training abroad shows a certain professional distortion.

[Question] And that does not include Dr Rodriguez Pastor?

[Answer] No, because Rodriguez Pastor, whose theoretical training I am not going to judge here, is a man who was educated not only at home but who also held very important posts in the Central Bank during the prior administration of President Belaunde. I do not believe that the years he lived outside Peru meant that he got out of step in his education and knowledge of the country's reality.

("The situation in industry is very serious. It may collapse in a short time if it does not receive government aid.")

[Question] In spite of the two phases.

[Answer] In spite of the two phases.

[Question] You also declared, I do not know on what basis, that all promises made by President Belaunde during his campaign were carried out and that there can be no development if there is no investment infrastructure projects. But then comes Rodriguez Pastor and he cuts a billion off the investment budget, especially in the budget of the departmental corporations. Is there or is there not incompatibility between these two proposals?

[Answer] Perhaps one might apply the theory of Marxism here: One step back in order to take two steps forward. This year is extremely difficult. We have no treasury funds. The revenues anticipated in the budget are not going to be fully attained. To reduce public expenditure and to balance the budget, we have to slow down some public works projects but that does not mean that they are going to be paralyzed.

[Question] Well, you said, with respect to the change of office from Ulloa to Schwalb, that "corrections will be made in every direction, I do not doubt in the least." Could you tell us what corrections have been made so far?

[Answer] Apart from the fact that adjustments were made in various ministries, I do believe that some changes are being brought about. From the Finance Ministry viewpoint, there is no question that changes have been made in economic policy. This is true since, through a government austerity decree, we reduced the budget by almost 1 billion soles. This means a fundamental change in economic policy.

[Question] Is that what you wanted?

[Answer] It is not what I want. I believe that this correction likewise brings a very high social cost with it. There are no essential changes in other items. The country waits but these changes cannot be accomplished hastily.

[Question] Summarizing, we could say that you are in favor of a neoliberal and wide-open economic policy.

[Answer] I do not think that we could categorize this policy as neoliberal. The idea of "let them do it, let it go through" is not precisely what is most in line with the country's reality. The government must play a basic role in drafting economic policy and all activities.

[Question] But is not the case of "let them do it, let it go through" precisely the thing that is happening in industry and in agriculture?

[Answer] Unfortunately, there are no incentives for agriculture and for industry. And we are very worried about that situation. We believe that there must be appropriate solutions for both sectors. Personally, I think that a country which cannot compete in industrial terms with industries in other countries that are much more advanced than we must try to develop its agriculture. It seems to me--and this is a vital fact--that we must assign priority to agricultural and livestock development policies. Regarding our industry, it requires much encouragement. If we do not have those incentives right now, they must be obtained through custom tariffs and through other incentives of a tax nature.

[Question] And if that does not work?

[Answer] It has to work.

[Question] What will the party do?

[Answer] The party has a majority in Congress. It can thus propose and it has already proposed to the executive branch on various occasions that it study formulas that would make it possible to develop industry and, through laws, also to provide incentives for certain industrial sectors. The Chamber of Deputies, for example, has already passed the automotive law which may possibly be passed in the Senate during what is left of this regular legislative session.

[Question] But the situation in industry is grave.

[Answer] It is very grave. Very grave.

[Question] The president of the Society of Industries himself said that 70 percent of the enterprises are practically operating at a loss.

[Answer] That is so. It is very grave and it may collapse in a short time if it does not get government aid. The fact is that industry does not fail to reflect the country's economic situation as a whole. Nor can industry be an island in a situation of poverty and difficulty.

[Question] But this could be avoided.

[Answer] Industry's situation can quickly be alleviated.

("I believe that many people who are at Sendero Luminoso had links with the military government.")

[Question] Lately there has once again been talk about a possible military coup. The main components of that possibility supposedly are provided by the administration itself, through its economic policy, through corruption which has not been properly punished in many cases, as a result of guerrilla warfare in the mountains, growing drug traffic, etc. Is AP [Popular Action] responsible or is it not responsible for the creation of this situation? Is there or is there not a certain degree of misgovernment in the country?

[Answer] The servicing of the foreign public debt influences the country's economic policy; that debt was increased from \$937 million in 1968 to more than \$9,000 million in 1980.

The Popular Action administration is thus blamed for the foreign debt contracted during the military government. That is the key fact in making the situation in 1983 even more critical although we do hope that this situation may improve by the end of the year and especially in 1984 since there are indicators to the effect that the international crisis is being overcome.

[Question] What about the guerrillas?

[Answer] This is a phenomenon which sprang up in Peru not starting in 1980 but before. What is happening is that, with the start of this administration, it has not only been getting more publicity but it also has become more effective.

[Question] From before?

[Answer] It was generated during the 12 years of military government. Abimael Guzman and his followers planned the action of terrorism for many years, using the University of Huamanga as a center for their activities. The military government did nothing to prevent those preparations from making headway.

[Question] Are you then blaming the military government?

[Answer] I am blaming the military government. And I believe that many people who are at Sendero Luminoso had links with the military government. However, the Armed Forces, together with the police, are trying to wipe out terrorism. The cost in terms of lives is regrettable but there is no other solution to this problem.

("The cost in human lives is lamentable but there is no other solution to this problem. You have to respond to violence with violence.")

[Question] A military dictatorship, it seems. General Noel has full power in the area.

[Answer] There is no military dictatorship in Ayacucho. What you have there is a military command which has broad powers based on the law and the constitution itself to cope with that situation. You have to respond to violence with violence, regardless of the fact that efforts are being undertaken to develop that depressed area, efforts such as they have already been carried out.

[Question] What can you tell us about corruption at this time?

[Answer] Corruption is an endemic disease. It is chronic. There has been corruption ever since the republic was founded. During all stages which featured dictatorships in Peru, fortunes have been amassed at the expense of the people. Now that we have democracy there is almost constant talk to the effect that there is corruption. Presumed acts of corruption however have not been pointed out specifically, except in very few cases.

[Question] It is difficult.

[Answer] It is difficult but one cannot say that there is corruption in an administration without pointing out some cases. For example, it was surmised that Deputy Rivera was linked to drug traffic in spite of the fact that the criminal trial did not produce any evidence against Deputy Rivera. Congress unanimously expelled him from parliament so that he could be tried in the Supreme Court. This demonstrated that all political sectors believe that it is indispensable to inject higher morality into parliament. This does not mean that there is already some kind of prejudgment or condemnation of Deputy Rivera. But, apart from that fact, what are the other cases of corruption that exist? As a matter of fact a smokescreen has been created, as happened in 1968 to interrupt the democratic system.

[Question] You believe that there is a process of...

[Answer] I believe so.

[Question] Is this evident?

[Answer] Naturally. There are some surviving Velasquez followers. And, in a democracy, they have no way to hold public office; so they are trying to create a climate of uncertainty, of anxiety, and of lack of confidence in the system, charging the system with corruption without specifically saying who



the officials are who are involved in acts of corruption. Personally, I believe that there are and there must be many cases but you have to be specific so that the corresponding penalties may be applied to them.

[Question] They have been described in some cases. In the CPV [Peruvian Shipping Corporation], in ENACO [National Coca Enterprise], in Social Security.

[Answer] But the charges are very vague. The charges should be made before the public prosecutor and also in the office of the auditor. This is why the office of the attorney general was created, to receive reports from all citizens.

[Question] One last question. It is said that, during a secret meeting between you and Dr Grados, it was agreed that the current labor minister be nominated for the post of mayor of Lima. Is that true?

[Answer] This is an imaginary meeting. We did not even have a conversation on this matter. But I believe that we can talk about the fact because Grados is an outstanding personality in the administration and I believe that he is called upon to hold outstanding positions in the future.

[Question] Do you then believe that he would be the ideal candidate for Popular Action?

[Answer] He can be a candidate for mayor of Lima. It seems to me that he meets some very unique requirements.

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CS0: 3348/423

## REPORT ON MAY DAY MARCH OF UNION, LABOUR PARTY MEMBERS

Basseterre THE LABOUR SPOKESMAN in English 4 May 83 p 1

[Text] One of the largest crowds of marchers ever seen on the streets of St. Kitts confidently made its way through the streets of Basseterre on Monday morning this week (2 May) in the traditional LABOUR DAY MARCH by the workers of St. Kitts and their families. It was a massive SOLIDARITY MARCH in which workers from all over the island and from all workplaces took part. The most significant feature of the March was the overwhelming number of young people who participated.

Just before the March set out from the St. Johnston Village School ground, Comrade Lee Moore, President of the St. Kitts-Nevis Trades and Labour Union and Leader of the Labour Party, made the symbolic journey to Springfield Cemetery to lay wreaths on the graves of Labour's fallen heroes, Comrade Robert Bradshaw and Comrade C. A. Paul Southwell. Comrade Bradshaw died in 1978 and Comrade Southwell in 1979.

Comrade Moore was accompanied by Comrade Joseph N. France, a contemporary of Comrades Bradshaw and Southwell, Mrs Millie Bradshaw and her daughter Isis, and Mr. Rebop Southwell.

The LABOUR DAY MARCH commenced on Wigley Avenue, turned into Cayon Street and Cunningham Street, then made its way eastwards through the Centre of Basseterre. The marchers sang and shouted slogans as they traversed New Town, turned into Sandown Road and Pond Road, and then continued west wards to Church Street, home of the headquarters of the Union, 'Masses House'. The most popular song of the March was a variation of famous black song "We Shall Not Be Moved" entitled "We SHALL NOT BE SOLD!"

The section of Church Street between Cayon Street was solidly packed with a vast throng of workers as Comrade Moore emerged on the Masses House balcony to congratulate the workers for a truly remarkable turn-out. Comrade Moore referred to the struggle being waged by the workers of St. Kitts for their survival and courageous. After the March, a LABOUR DAY PICNIC was held at Masses Yard and Masses House.

CSO: 3298/647

## LACK OF UNION UNITY UNDERLINED AS MAY DAY IS MARKED

## Celebration Plans

Castries THE WEEKEND VOICE in English 30 Apr 83 p 1

[Text]

**TRADE UNIONS** in St. Lucia will celebrate May Day this weekend, but there will be no unity or solidarity this time around, as the Unions go their separate ways to observe the day that is dedicated to the workers throughout the world.

The division within the ranks of the trade union movement is highlighted by the fact that three of the Unions — the National Workers, Civil Service Association and St. Lucia Teachers Union — which have formed themselves into what they refer to as "an industrial solidarity pact" will hold joint activities at the CSA centre, while two other Unions are holding celebrations of their own.

The St. Lucia Workers' Union, the oldest trade union organisation in the country, and the Seamen Waterfront and Workers Union have planned their own activities.

The Vieux Fort General and Dockworkers Union has planned no celebrations.

On top of all this, the Association of Executives and Supervisory Personnel which is fully a fledged trade union — has said it will not attend any of the activities being sponsored by the other Unions.

The Union's General Secretary Mr. Oliver Scott, in letters to Mr. David

Demarque, Chairman of the so-called Committee of Trade Unions — which in fact comprises only the NWU, CSA and SLTU — said his Union was "in a quandry due to the apparent division that exists in the trade union movement over May Day celebrations this year."

It added: "Such apparent division is inimical to the best interest of the workers of this country and this Association will not participate in this year's observance."

A similar letter was sent to the Seamen's Union.

As we go to press the VOICE understands that Labour Minister Clendon Mason has been invited to address the activities planned for the CSA Centre.

St. Lucia workers' Union President George Louis and Seamen's Union President Dunstan Fontenelle will be the principal speakers at the celebrations planned by their respective Unions. Meanwhile, the current division in trade union movement has met with expressions of concern from one prominent union official who did not want to be identified.

He told THE VOICE that there appeared to be a deliberate attempt by certain unions to isolate the others. He noted that certain Unions had not been asked to join the industrial solidarity pact formed by the CSA, NWU, and SLTU. Also, he claimed that the three unions had taken it upon themselves to appoint a representative to serve on the Government-sponsored National Savings Committee without consulting the others.

Apart from the Unions, the St. Lucia Labour Party will also be celebrating May Day with a rally in

Dennerly. United Workers Party supporters will converge on Gros Islet tomorrow to observe the first anniversary of the party's return to power and Cabinet has banned public marches and demonstrations except those of a religious nature-- between Castries and Gros Islet, "in the interest of public safety."

The ban will forestall a planned march by the Progressive Labour Party in the city on Tuesday against unemployment and other things.

#### Assessment of Union Role

Castries THE WEEKEND VOICE in English 30 Apr 83 p 2

[Editorial]

[Text]

**TWO observances — deemed important to the respective interests — are being marked here over the next few days. The first is the traditional May Day. The second is the first anniversary of the return to power of the ruling party.**

**Despite the simple and clear cut definition of the word "worker" the impression has been created in this country in recent years, that only members of trade unions are workers. This is not so. Workers are first and foremost the people who toil to earn a livelihood. Workers are the farmers whose sweat produces the crops that now have St. Lucia's agricultural sector looking bouyant again.**

**Workers are the people in offices, the public servants, bank clerks, factory workers, scavengers, market vendors, the people in management positions, any and everyone who works. May Day is their day.**

**The fact that after 30 years of trade union activity in St. Lucia, the majority of the island's workers are not unionised — regrettable as this may be — also cancels the belief that only trade union members have the right to claim to be workers..**

**And when one looks at the picture in its totality, it becomes evident that one of the prime reasons why so many workers continue to operate outside the ambit of the trade union movement itself reflects on the failure of this country, its unions and employers to take adequate care of all workers.**

The unwillingness of employers to recognise unions, the rivalry among unions, the poaching of one union on the membership of another has decimated the ranks, and indeed the unity and solidarity that ought to characterise the trade union movement. The two latter acts have, in recent years resulted in the demise of the St. Lucia Agricultural and General Workers Union of George Charles. They have weakened other unions as well.

Greed, mistrust, jealousy and mauvais langue, and opportunism appear to be among the high points of the trade union movement in St. Lucia today. And this has weakened and divided the movement.

The divisions are now deeper than they have been for some time. Whereas in previous years, the unions got together, marched and sang IN PUBLIC on May Day, today we witness the sad spectacle of three of the largest holding joint celebrations, INDOORS, while others are celebrating on their own. Something has gone wrong, and the workers of this country are not fooled. They know what has gone wrong.

During this weekend, the Union officials are likely to touch on these matters when they address their respective memberships. We will no doubt hear them pouring fire and brimstone, on Government, employers and just about anybody as they seek to explain their problems. We might not hear them blaming themselves.

May Day 1983 finds the workers of this country — most of them — pulling in one direction to increase output in their areas of employment to pull the country out of its economic difficulties. It finds some workers enjoying comfortable standards of living and still bawling for more whereas others are struggling to make ends meet. Some have more than their fair share of the basic necessities of life, while others live in squalour and misery. Ironically, those who have, care little for those who haven't.

Ironically, this neglect, this discrimination exists even among the hierarchy of the trade union movement itself.

The past year is one in which certain unions in this country have actually passed up the opportunity to meet the Government and the employers head-on around the negotiating table and demand a fair deal for workers. "We are not talking to you," they've told the Government and employers.

The workers of St. Lucia will no doubt be bombarded on May Day with the usual rhetoric. They will most likely be told to prepare to continue what their officials like to refer to as "struggle." But how many trade unionists will tell the workers the naked truth. The truth about the world outside, the truth that St. Lucia does not exist in isolation, about worldwide unemployment, international trade, recession, high interest rates and their effects?

How many trade unionists will look at the workers in the eye and tell them the truth about the way to salvation. Even now there are people in the trade union movement in this country, predicting doom and gloom. They see everything wrong. They have no alternative programmes. They refuse to appreciate the significance and full effects of the terrible years of neglect and stagnation that this



country is only now coming out of. And above all, they fail to realise that in the present circumstances, St. Lucia can only attain true prosperity through its own efforts.

The former Prime Minister of Jamaica Mr. Manley was reported earlier this week to have told a group of his supporters that should his party be returned to power it would have to demand sacrifices of the people. He declared: "The mission of the PNP is not to promise outside salvation, but to try to mobilise the people for their own salvation."

According to him, this would mean greater sacrifice and discipline, adding that if this discipline was adopted at the work place, Jamaica could be transformed within five years.

But this is the very same formula that has been advanced in St. Lucia. Mr. Compton can talk about keeping the country out of the clutches of the IMF until he is blue in the face, he will achieve nothing if discipline and sacrifice by every working St. Lucian is not offered.

The UWP approaches its first anniversary claiming to have brought inflation under control — in fact the figures which have been appearing in the St. Lucia Gazette, and prepared by civil servants — supports this claim. Its efforts to bring badly needed inputs to the farmer has resulted in St. Lucia showing a 30 percent increase in banana production during the first quarter of this year as against last year the highest percentage increase in the Windward Islands. It has paid off substantial debts not of its own making — including one to the IMF.

All this has been done not by the UWP Government, not by overseas agencies, and certainly not by the trade union leaders whose capacity for pontificating continues to maintain its hypocritical proportions. It has been done by St. Lucia's workers, and full marks to them.

But given the current international climate, given the mess that this country was in a year ago, it cannot be argued that the UWP has had a fair job first year.

Of course, unemployment remains a critical factor. It will be so for some time. We not only have to retain the jobs we now have, we have to generate more.

But in trying to come to grips with the problems of this country, there is a certain hypocrisy that must be exposed. Between the time the UWP left and returned to power, a lot took place in St. Lucia and very little of it positive. Hundreds of jobs were lost, businesses closed their doors, no new projects were started. In fact, many which ought to have been continued were neglected and will have to be revived, and many which were bragged about never materialised. Prices spiralled unchecked. The country borrowed to its limit to maintain services and meet its commitments. The St. Lucia economy folded up. The workers of St. Lucia experienced the darkest hour yet.

No trade union in this country must not be allowed to forget the crisis that we were all plunged into. And if they have forgotten it, someone should always remind them.

The hypocrisy we spoke of is in trying to pretend that within a year, things should have been back to normal. The hypocrisy is in trying to make a case against unemployment as if the problem has only recently surfaced.

Today, as we celebrate May Day, we ask the question: Were the workers of this country given proper representation during the declining years? Did the Unions then draw the attention of the authorities to the dangerous times that the workers were being made to endure? Where was the leadership that could have saved this country?

Some things must be said, but enough has been said. Our hope is that the trade unions of St. Lucia will forever play the game fairly, that they will seek first the interest of the workers and not their own, and lastly, that they join hands with those who are striving to create a better St. Lucia.

#### Message From Seamen's Chief

Castries THE WEEKEND VOICE in English 30 Apr 83 p 9

[Text] PRESIDENT of the Seamen, Waterfront and General Workers Union, Senator Dunstan Fontenelle, in a May Day message, has called on local unions to sink their differences and mobilise available resources in directing a course for St. Lucia's economic recovery.

Mr. Fontenelle said that island's current economic situation required a collective approach by the Unions but lamented that some union leaders seemed pre occupied with their own self-aggrandisement.

The following is the full text of Mr. Fontenelle's message:

"Too often one is tempted to ignore the fact, the inescapable fact, that Labour Day is not related to labourers per se, but to all persons engaged in employment of any kind for reward be it wage or salary, and so all of us being workers have a duty to celebrate in a meaningful manner, this day allocated to labour.

"The Labour movement in St. Lucia, has gone through a metamorphosis. No longer are Trade Unions called on to negotiate only wages, no longer are Trade Unions called on to handle only grievances; the present day Movement is occupied with the social, economic, and political development of its members.

"In the past, workers were merely concerned with the movement when the new contract had to be negotiated, when their pay was incorrect or when the Boss

did them a dirty." Today, the Trade Union Movement, more so in the Seamen Waterfront & General Workers Union has so oriented its thrust to educate its members in the broadest sense to what is taking place around them, nationally, regionally, and internationally.

"With the assistance of our international affiliates — the AIFLD, ICFTU, FES, FIET, ILO, CMAU, ITF, our parent body CCL, more members are exposed to regional seminars related to trade union principles and development, officer training, labour economics, international relations.

"Today, we are all aware that the direction towards managing our own affairs, has had its spin offs, in that no longer can we concern ourselves with our own little St. Lucia; the broader world of the Caribbean, the developing Third World, the international arena has a definite impact and influence on the way we live.

"Brothers and Sisters, our St. Lucia has gone far in its development which has had certain implications for us; for having severed the naval string of Colonial dominance, we are far from being economically independent and so we have retained some dominance of the multinationalists who are entirely responsible for our economic survival: Tourism — the hotels; manufacturing and industrialisation — foreign controlled businesses; and so they still call the tune and we must dance.

"Therefore, fellow workers, the struggle seems never ending, and we continue to be still eating the crumbs. But in all this, are we a united labour movement, identifiable with the same goals and objectives, to better our lot and improve a society so that our children and their children can enjoy the status of a true and real St. Lucia?

"Are we pre-occupied solely with the workers cause and not 'my cause.' Are we as trade unionists honest and true to, and with one another, that we share our problems and our achievements as a movement?

"There are nine Trade Unions in St. Lucia and it still has not been possible to form an umbrella organisation. This is an unfortunate situation. Within that grouping are

those who share our principles and philosophies and with whom we have close links, so much so we have joint undertakings.

"The outside world is focusing attention on the Caribbean, particularly because of positive Caribbean inputs into international affairs like the C.B.I., and the ACP/EEC LOME Convention.

"At home right here, we are facing an adverse economy which we cannot tackle singularly. A comprehensive collective approach would certainly be indicative of our maturing, but alas some of us seem preoccupied with our own self aggrandizement and believing that we are bigger than the Movement.

"Now is a time for us to put aside our differences (although we should have no differences if we are true Trade Unionists for our goal is the development of our members), and mobilise the available resources in directing a course for our economic recovery. We have shown that we have the mettle and co-ordination to make those who are stubborn stand up and listen. We have manifested our ability to exhibit quite forcefully that the workers collectively are the Masters. We have shown that the days of subservience and subjugation are gone. That we can and must chart the course of our destiny, be you public sector or private sector.

"We have joined the administration into reviewing the archaic Labour Legislation. The question of Recognition, Severance Pay, Workmen's Compensation and Health & Safety, are being updated to present day requirements. This is a start and let us continue to persevere in this and similar directions.

"Workers all, this land is ours. The most important resource of any country is its people. Let us all workers, forget our differences, unite our efforts in the one struggle to redeem our own beloved land. Let on this May Day rededicate ourselves to labouring for our country. It isn't what St. Lucia can do for us but what we as Workers can do for St. Lucia with the help of God.

"Have a happy and productive  
MAY DAY."

Castries THE WEEKEND VOICE in English 30 Apr 83 pp 12-13

[Text]

**PRESIDENT of the St. Lucia Workers' Union Mr. George Louis has told trade unions in the country that if they are serious when they talk about "solidarity," then this should apply year-round and not merely on occasions like May Day.**

**Mr. Louis, in a May Day message to workers noted that the trade union movement was split into different camps "with each pursuing its own destiny with ideological and political considerations being the influencing factor."**

**He said:**

"On the occasion of the time-honoured May Day, an historical day for workers the St. Lucia Workers' Union takes the opportunity to bring greetings to the workers of St. Lucia and to make a few observations.

"The situation in this country, and indeed worldwide, over the past few years has become more complicated and grim, and in many sectors of the economy, both public and private, workers are being made redundant at an alarming rate or being threatened with such a prospect.

"Many countries, in an effort to pull themselves out of the current recession, adopt protectionist policies, hurting others in the process. In our own region we have the recent cases of Jamaica with the two tiered currency system and Trinidad and Tobago imposing the import licensing system threatening a downturn in trade and unemployment in St. Lucia and the other islands. There seems to be no end to our economic problems.

"The trade unions ought not to pretend that these problems do not exist. We are being asked to play our part in helping in the recovery programme by refraining from making high wage demands or in some cases no demand at all. The Committee of Trade Unions in the current negotiations with Government are faced with this dilemma. If there is no way out but to accept Governments' proposals for a one year moratorium on wages there must be a guarantee that some tangible benefits would be received as a quid-pro quo, because history must record that our trade unions acted responsibly and intelligently when the situation demanded it.

"In a recent economic review by the International Confederation of Free Trade Unions the following statement was made: 'It is realised by trade unions that governments

will ask for yet more patience and concessions from trade unions as a condition for bringing about a recovery. During the last few years workers have been patient, their standard of living has been reduced and mass unemployment has been increased without any evidence that such sacrifices would be translated into any prospects for recovery in spite of the fact that governments show little inclination for serious discussions, the trade unions continue to be ready to engage in talks on their role in a co-ordinated programme for recovery. But these cannot be only on ways to make the workers accept further cuts in wages and living standards, as it is clear by now that the recovery cannot be brought off the backs of the workers."

The proposal by Government of St. Lucia in its recent budget to set up a National Economic Council as an alternative to the ill fated Tripartite Committee hopefully, will provide the machinery to seriously co-ordinate a recovery programme.

"In our own way of assisting in the recovery programme, looking beyond the boundaries of St. Lucia, we have joined our colleagues in the region to review the Lome Convention which governs trade and aid between the African, Caribbean and Pacific Nations (A.C.P) on one hand and the European Economic Community (E.E.C.) on the other, with a view to making suggestions for improving the agreement which is due to be negotiated in September this year. Two meetings have been held and another is to be held soon to prepare a final paper. The objective of this exercise is to ensure a better deal for all.

"In recent times a lot of lip service has been given to updating various laws relating to workers in this country. Workmen's Compensation, Severance Pay and Occupational Health and Safety are

just a few. We hope that every effort will be made on the part of the Government to ensure that these laws receive urgent attention.

### DIFFERENT CAMPS

"At a time when the current situation demands unity, it is sad to note that the trade unions movement remains split in different camps with each pursuing its own destiny with ideological and political considerations being the influencing factor. This very May Day celebration has fallen victim to these circumstances. As a result, the St. Lucia Workers Union is taking a position of neutrality and will not be taking part in these celebrations. Further we find it difficult to join with certain leaders on one platform on May Day to talk solidarity and as soon as we leave the platform one is tearing the other apart. If we want to talk solidarity on May Day then we must practice it throughout the year.

"I now extend May Day greetings to all the workers of St. Lucia on behalf of the St. Lucia Workers Union, the Caribbean Congress of Labour (C.C.L.) and the International Confederation of Free Trade Unions (I.C.F.T.U.) with which we are affiliated."

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## REPORT ON OPPOSITION CRITICISM OF, HOUSE DEBATE ON BUDGET

Castries THE VOICE in English 27 Apr 83 p 1

[Text]

**DEBATE on the Government's 1983-84 fiscal budget started in the House of Assembly yesterday morning.**

Prime Minister John Compton delivered the \$185.8 million budget to Parliament on April 14. The budget was for \$22 million less than that for the last fiscal year.

Opposition Leader, Neville Cenac, led off the debate yesterday morning and was immediately followed by the other SLP member in the House, Mr Cecil Lay. They left after their contributions.

The only other opposition M.P. Mr Jon Odum (Castries South) of the Progressive Labour Party absented himself from the meeting saying he saw no reason to attend. During the debate he was criticised by two of the Government members who had spoken up to press time.

Opposition Leader Cenac said that there was nothing in the budget to inspire or give hope. He said Mr Compton had made the case for the St. Lucia Labour Party Government which held power between 1979 and January 1982.

The SLP, he said, had done "good things and bad things," adding: "One of the bad things was to have engaged in a leadership struggle which put back the political breath in the nostrils of the United Workers' Party which now forms the Government. But yet, while this was a bad thing, it was a good thing for without that struggle there would not have been so many Ministers sitting around this Honourable House."

One of the good things the SLP did was to give the working class what it considered was a basic living wage, he said. The SLP had also given St. Lucia a National Commercial Bank and the

Development Bank which the UWP had failed to create in its previous 15-year rule to satisfy "a long standing need."

The SLP had also improved the salaries of civil servants who he said "must be well paid". The last Government too had made the arrangements between the Wesser Water Authority of England and the local Central Water Authority which had resulted in water supplies reaching several rural communities in St. Lucia.

Further, the SLP had instituted an improved system of budgetary control that was now being claimed by the UWP.

Mr Cenac called for increased employment for St. Lucians. He charged that the Government had raised the expectations of St. Lucians adding that when one looked at the budget, one would come to the view that "we are still in the depths of despair."

The Member for Vieux Fort North, Mr Cecil Lay accused the Prime Minister of "engineering" the wastage which he spoke of in his address. He referred to the Festival of Lights held last December as wastage claiming that \$2 million had been spent on the celebrations. But he was informed that the figure was inaccurate and was asked to withdraw it.

Mr Lay also called on the Government to demand that agents of

motor cars stock parts for the vehicles they sold. When this was done, he said, millions of dollars would not leave here annually to buy new cars.

To curb the huge food import bill and generate employment, Mr Lays suggested that "lands must be turned over to the people so that they could produce."

Finally, he said, he thought it was time that the passports scandal was brought to a head.

The member for Vieux Fort South, Mr Eldridge Stephens lamented the fact that the Opposition was not present for the debate. He referred to Cserac's contribution as "empty" and criticised Odum for turning his back on the people who had voted him into Parliament.

Mr Stephens saw the budget as one geared to prepare for better days. He spoke about a number of projects planned for his constituency and drew the Government's attention to other areas where he said relief was necessary.

The freezone planned for Vieux Fort, Mr Stephens said, was a glorious opportunity for the South and he called on young people to prepare themselves for "the industrial revolution" that would come to the area.

Mr Clarence Rambally, the member for South-East Castries flayed Mr Odum for not being present to put forward the problems of his constituency. However, he said, since Mr Odum's constituency bordered on his, he would speak for both areas, and he called on residents of Mr Odum's constituency to meet him to put forward their problems so that they could be tackled by the Government.

He said he was impressed and satisfied that within the limits of the Government's resources it had started to tackle the more urgent problems of the country, adding that one could easily identify the work that had been done in the year since the UWP took office.

Mr Rambally spoke of the needs of his constituency, adding that already some "very significant work" had been undertaken in Castries South-East.

He referred to elements in St. Lucia who he said did not have the interest of the country at heart and were prepared to drag it into the drain in their quest for personal power.

He questioned the practices of certain trade union officials whom he accused of working against the interests of the workers they represent. In his constituency, he said, a Union had exploited a situation for political ends which had left hundreds of people without work.

Referring to Odum's absence, Rambally told the House, he suspected that Odum had probably not visited his constituency over the past year and was probably not aware of the needs of his people, or he may have realised that his quality of representation was such that it made no sense coming to the House.

But Rambally said he felt the people of Castries South ought to be represented during the debate and so, he said, he had decided to represent them. He called for the building of a health centre at Ciceron. He also told the House of the need to extend the water systems in the Barre St. Joseph and Marigot areas.

He said he was prepared to hear the problems of the people of Castries-South. "I am prepared to meet them at all levels and in the not too distant future, I will be touring the constituency to hear their needs and to air their needs before this Honourable House," Rambally said.

Rambally said it was his intention to approach the Government for the establishment of a Junior Secondary School to serve Castries South East and Castries South. The debate was continuing up to press time.

## LEADERS EXPECTED TO HOLD POSITIONS IN NEW CABINET VIEWED

Caracas BOHEMIA in Spanish 23-29 May 83 p 17

[Article by Sanin: "The Cabinet"]

[Text] I shall not comment on President Herrera's current cabinet, but rather on the presumed team of the future head of state. Both in Great Britain and the United States, during the election campaigns they publish lists of what they term the "shadow cabinet," that is, the cabinet in the shadow of the next prime minister or president. In France as well, before elections they talk about the "contre gouvernement," in other words, the potential members of the new government after the elections.

Perhaps, during the recent debate between Caldera and Lusinchi, if names of the future teams of both candidates had been broached, the confrontation might have been more interesting. People like to know in advance who the possible members of Caldera's or Lusinchi's Council of Ministers would be; these being the two candidates with the greatest chance of reaching Miraflores.

With regard to Lusinchi, we already know that most of his campaign team consists of AD [Democratic Action] leaders who were ministers of Leoni, Betancourt and Perez; and some "white" independents who hope to be included in Jaime's first cabinet may show up. It would be very difficult for the AD candidate to rid himself of certain leading collaborators, such as Lepage, Consalvi, Manzo, Hurtado, Gabaldon and Penalver, who were Carlos Andres' ministers. It is odd to note that veteran AD politicians, such as Leandro Mora, Izaguirre, Leidenz, Mantilla, Pinerua and Morales Bello are not appearing on the major lists of a possible Lusinchi "shadow cabinet." There are very few young men mentioned as likely ministers of the AD candidate; only Matos Azocar, Henry Ramos and Cristobal Hernandez, who would have to fight daringly in order to display their images and convince Dr Lusinchi in a positive manner. We all know that the AD candidate (in the event that he becomes president) would be greatly committed to former President Perez, as was clearly shown in the recent debate. And hence it would not be at all strange if Gumersindo Diego Arria and Lauria should appear again.

That hypothesis should not be given much importance, for the simple reason that Lusinchi will make a good second, after Dr Rafael Caldera; and so what is important to know beforehand is the potential Social Christian cabinet in 1984. Caldera has said that he would govern with young people, and that he would not reappoint

ministers from his cabinet or from Herrera Campins' team. Prominent in this large group of young COPEI [Social Christian Party] members (who have not been ministers) because of their ability and intellect are Drs Jose Rodriguez Iturbe, Eduardo Fernandez, Oswaldo Alvarez Paz, Leonardo Ferrer, Leopoldo Castillo, Rafael Salvatierra, Paciano Padron, Juan Jose Caldera and many others who have acted brilliantly in parliament and in technical positions. Of course, President Caldera would have beside him highly valuable members of the independent sector, such as Drs Jose Muci Abraham, Fernando Chumaceiro, Ernesto Mayz Vallenilla and a similar number of other professionals without party membership who now back the Social Christian presidential candidacy.

Dr Caldera has the capacity to offer those and other individuals to make up his first executive cabinet, as well as the list of governors and directors of the state's autonomous institutions and companies. There is, unquestionably, no real team leader of professionals and technicians among all the candidates such as Dr Caldera, who has spent many years in the universities, and who is fully apprised of the most brilliant graduates. I also think that he would call upon members of other parties, including AD, MAS [Movement Toward Socialism] and other leftist groups, in order to form the best cabinet that the country has had, so as to successfully cope with the crisis and its social and political repercussions.

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## CORRUPTION CASES REPORTEDLY UNDER INVESTIGATION

Caracas RESUMEN in Spanish 29 May 83 pp 8-10

[Article by Silvia Martínez: "BTV Confronts the Law']

[Text] We are all holding our breath, all of us except for the few who comprised the corrupt group are waiting for the guilty ones to receive their punishment this time. There are only five causes taken to court by Pinerua Ordaz, accompanied by sufficient documentation to support a charge. At this time, Venezuela needs to realize that the comment "crime does not pay" is not just a little phrase repeated by Campos Suarez, but rather a reality. When people see Pinto the golfer, Vargas the trade unionist, Juan Herrera, Oduber, Landaeta, etc., behind bars, they will finally realize that money does not count in the eyes of the justice system.

Luis Pinerua Ordaz emerged from the court showing his little smile, the same one described by the Yankee ideologues as foolish, which is now known to be shy but not cowardly. One cannot be a coward when one takes on a powerful party to eliminate the corruption within it. When Pinerua's voice emerged from AD [Democratic Action] calling for investigations, there was an immediate attempt to silence it with "party loyalty." With his usual boldness, Jose Vargas called him a "traitor to the working class," the same class from which Vargas took so much workers' money from their own bank, called the Workers Bank. Today, Pinerua is virtually a pariah to his colleagues. They will admit him, but they do not tolerate him. Only a few are on his side, and the majority of these are for the purpose of "silencing him." Nevertheless, the former candidate is pursuing his task. He is striving to prevent the embezzlement which occurred at BTV [Venezuelan Workers Bank] from becoming enveloped in the same cloud which covered the affairs of the Sierra Nevada, the African corn, the Antimano land, the frigates, the military scrap metal and the case of Arape, with two positions, one as a chief official of the public employees whom he converted into customers, then selling to them in his store, all under OCP, the magic initials. Pinerua waged a great battle in the case of the plundered bank, and the example has caught on. Now we are observing matters such as Andean Cement being dealt with, and the Congress studying the flagrant lack of ethics on the part of the foreign minister's wife, who sold insurance to the government, with court action being sought for her. These successes have given him encouragement to continue. We know it from experience. RESUMEN has been the news medium that has uncovered a major volume of shady dealings and others which are definitely illegal. But none of the charges had even brought about arrests until now, when the "revolution of disgust," as presidential candidate Jorge Olavarria called it, is taking place; and with



the aggravating circumstances that every one implicated, because they are people who had acquired great fortunes thanks to their cheating, were privileged members of society, persons consulted on any matter, as if their experience in stealing had authorized them to give advice to the Venezuelan people. It is a world completely in reverse, which could take its course if BTV does not remain unpunished. The penalty for the guilty should indicate the difference.

#### BTV

BTV was an earthquake, and like any seismic movement, it was easy to detect. In fact, the experts from RESUMEN began announcing it 3 years in advance. But the president of the republic hid behind the pejorative comment about the "prophets of doom" and never listened to anyone. We must be optimistic; we must believe that the BTV's coffers will be filled again, so that the corrupt trade unionists could continue taking money from them. But it did not happen in that way; it turned out that those who had the gloomy premonition were right.

One need not have been a wizard to reach that conclusion that if a bank lends 1.31 bolívares for each single bolívar entering its vault, lack of liquidity will necessarily come very soon. To be sure, there was the Treasury to supply the necessary funds. And when there were serious problems, the bank was "saved," such as in 1979, when Lauria had a portfolio of a billion accounts that were uncollectible by the Industrial Bank. In 1980, the time came when the negative balances could not be disguised, and only the injection of capital supported the moribund bank. In a quick study of the Clearing House, one could see that the bank had been in the red for 2 years. The solution which the board of directors put into effect was fatal. It consisted of raising interest rates to 17 percent, a percentage that was far higher than that of the commercial banks as a whole. The funds flowed to BTV, but this bonanza had a serious problem: it obviously increased the debt. BTV sought money from the Central Bank of Venezuela [BCV]. By September 1982, it owed BCV a billion bolívares. For years, the banking entity had received government assistance. For example, from the 7 billion that comprised its capital in 1979, it reached 24 billion in 1983, another proof of the gigantism that beset Venezuela. According to the report prepared by the auditor, after the order was finally issued for auditing on 30 November, the loans granted were divided into three categories, namely: the public sector, including private debt bonds amounting to 6.856 billion bolívares; the list of mortgages held totaled 5.6 billion; and for loans to the so-called "branch companies," 6 billion had been granted, and there was a not well documented assumption regarding an additional 1.5 billion bolívares. At least half of these billions are completely unrecoverable, and constitute the amount taken by the trade unionists from the workers' pockets.

Now we all know that BTV was more than a bank; it was a mafia, in which, instead of distributing the pie by districts, as in Chicago, it was made with a great deal of stamped paper and signatures; and it did not matter that it was the same one several times, simply with "revalued" guarantees or without them. An example of this special type of institution is that of Eleazar Pinto, who was president of 46 of them, and who received from BTV, of which he himself was also president, the sum of 3,115,148,158.74 bolívares in 48 notes, between 18 and 26 November, when the bank was already out of compensation and 4 days before it was audited.

Eleazar Pinto, in his capacity as president of BTV, generously granted Eleazar Pinto, the multi-money changer and president of companies, a total of 882,842,739.00 bolivares.

Of these bonds granted for the race before the inspection began, 36 had no endorsement; and of the remaining 13, two were granted to companies headed by the labor leader Jose Vargas, the same one who called Pinerua a traitor when the latter called for an investigation of BTV. The majority of the loans to Vargas have no endorsement, but there are also some which have been endorsed by Pinto's companies. Owing to this odd circumstance, Pinto appears to be giving the loan and endorsing it. But the strangest situation is when a loan is given, and the endorsement and the one benefiting are the same.

The readers of RESUMEN are quite familiar with this entire scheme; we have discussed it over and over again. So why repeat it? Simply because we must have all the evidence very fresh in our memory, particularly when one can see in the news media the actors in this disgraceful affair talking about the "immoral conditions that the government has imposed upon the poor workers." So much brazenness could cause us to forget the details of the case. We must not erase from our minds the day 31 March 1982; it was a very special day, because on that date, and in strict confidentiality, the president of BTV and the president of Coracrevi [Housing Savings and Loan Corporation], the distinguished trade union leader, Jose Vargas, transferred 150 million bolivares from the basement of the bank, and the Workers Bank, to the company called 15-40 Housing, Inc. The sum was given in three notes, signed that day: one early in the morning, for 50 million, another at 1400 hours in the afternoon, for another 50 million, and the third, also for 50 million, at 1600 hours in the afternoon. All of them had Vargas' endorsement, and of course the assistance of the BTV president; because Pinto, the president, was not foolish enough to give Eleazar Pinto, the requester, the real one. In an act that was less publicized, but that is not to be underestimated on this account, Jose Vargas received a loan of 318,723,898.61 bolivares. This CTV [Confederation of Venezuelan Workers] way of dealing with life and friendship became increasingly frequent. The four AD members: Eleazar Pinto, Horacio Oduber and Federico Landaeta, the latter two known as Pinto's front men, and the perpetual leader of the construction industry, Juan Herrera, with others, although very few, made up the great corrupt core of AD-CTV. Pinto was involved in 46 companies, Oduber in 27, Landaeta in 21 and Juan Herrera in 18.

#### The Five Charges

On Tuesday, the former AD candidate went to the Seventh Court to ratify the five charges that he had made for the purpose of punishing the guilty ones. The first one was against Jumen Investments, Inc, of which Emilio Uncein was a stockholder, and the by now famous El Tigre land.

The brothers Roberto and Emilio Uncein purchased some land owned by the Municipal Councils of Guanipa and Simon Rodriguez Districts, in El Tigre. It consisted of a million square meters, which were purchased for a price of 1 bolivar per meter, and they established their company, Jume Investments. They requested of BTV a loan to build 1,600 units of low-cost housing, giving as a guarantee for the 58 million bolivares requested the land itself which, through the simple method of calling it "development," had now, they claimed, become worth as much as 43.8 million bolivares. The attorney, Cornelio Vegas Perez, filed a criminal complaint against

the former board of directors of BTV because of this "miracle." In the documents published by RESUMEN one could note that Jumel Investments had as its president Leon Szlesinger, who happens to be the husband of Yuya Szlesinger, general manager of BTV. After the money had been obtained, the company declared itself bankrupt, and the million square meters of land was all that was left to BTV. A report recently issued by the General Comptroller's Office estimates that the price of the El Tigre land has been assessed at up to 11 million; therefore, the over-valuation was about 33 million bolivares, when it was offered at a cost of 43.8 million bolivares. The famous land has been returned to the nation through the Municipal Councils; and it is not known whether Uncein is willing to purchase it again for 43 million, as he told reporters on the day that he was summoned to court.

Another of the cases introduced is that of Federico Landaeta, who became famous overnight with the documents published about him by RESUMEN. In them, it was noted that this gentleman had performed the feat of having an overdraft of 160 million bolivares in November 1982, and by the day of the auditing, the 30th of the same months, he was left with a debit balance of only 872,000 bolivares. Dr Diaz Bruzual sent all the data on this juggling to the Chamber of Deputies' Special Committee, which is studying the BTV case; but nothing important happened. Then the Landaeta affair was sent to the court, so that the law might state whether this transaction was proper.

Also under investigation are the transactions involving the Colorada Beach plots of land and the Conesolca company. Colorada Beach, a company of Eleazar Pinto and Juan Herrera, was set up in December 1978, through the contribution of land which the stockholders estimated as being worth 10 million, totally underwritten and paid by Coracrevi (president, Jose Vargas), who became owner of the 100,000 shares of stock which represent the capital stock. They requested money from BTV from the very beginning, in December 1979. The note was not paid off, and they sought three more, for the sole purpose of continuing to pay what was in arrears. There is a first mortgage on the land, amounting to 10 million, owned by the company. This same land guarantees a loan of 30 million granted to the Colorada Beach company, and it also serves as a guarantee to the Ship Construction and Repair company (Conesolca), a branch of the former, also amounting to 30 million. Hence, an identical amount of land can be mortgaged and then established as a guarantee for 60 million. The people in the sector complain that, despite these loans for the famous "development," this is the key word for converting idle land into good business; because the only thing that they have seen erected has been the house of Eleazar Pinto, who has taken the beach as if it were his own, and has guards who prevent them from entering.

The other case subject to investigation by the court is that of Maria Elena Calderon de Hernandez, who had requested and obtained (and this is most peculiar) a loan of 1.9 million bolivares. She is BTV's credit manager; and this clears up any doubt. The auditing came, and the money was not there; but her boss, Eleazar Pinto, was present, and managed to prove his cleverness, like Chapulin Corado. He dismissed the employee of BTV, and also of Bantrab Investments, of which he is president. Double indemnity on both sides. The official regained her money, paid the loan and, the next day, was rehired. Anything might be said about Pinto, but it must be admitted that he is a man who readily forgets offenses.

Pinerua's fifth charge concerns the profits collected by the BTV board members, all money which came from a joint decision by the board of directors. The trade unionists Olarte, Casto Gil and Maximo Acuna, who ended up causing a flight from MEP [People's Electoral Movement] by the Salom Mesa group, admitted to having received about 100,000 bolivares for being present at the meetings. In a report submitted by Mesa himself, after the split, it was learned that Cesar Olarte had an annual income of 434,308 bolivares, and that Casto Gil exceeded him with 445,800 bolivares (here, we must count 91,000 from CTV and 354,000 from BTV). According to his colleagues' accounts, Maximo Acuna always received 454,800, like Gil.

On his visit to the court, Pinerua Ordaz stated all that he knew about these five cases, which was considerable. The special judge, Noel Pantoja, authorized the prosecutors to work separately, case by case, precisely because of the complexity of each one. Don Luis did not make a statement to the press, because he said that he "had made the decision not to give information on the trial." He only made a comment which should be remembered: "Corruption must be fought with all the available resources, because it is, if you will, the most serious problem that democracy has at present."

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July 1st 1983